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Expansion of Cooperatives in China 33 New Order in Malaya 35 Soviet Policy in Asia 36 Progress in Housing 39 Japan Operations of the Export-Import Bank of Japan 40 Japanese Cotton Industry 41 Japan Tourist Organizations 42	China Reports from China 43 North Borneo Production of North Borneo 46 Burma Burma's Transport and Communi- cations 53 Hongkong Agricultural Developments in Hongkong and Future Pro- spects (Part II) 55	Shipping and Aviation (Novem- ber) 57 China Light and Power Company 58 Finance & Commerce Hongkong Exchange Markets 59 Hongkong Share Market 59 Hongkong Stock Exchange in December 60 Hongkong & Far Eastern Trade Reports 60 Commodity Prices on December, 31, 1955 62 Singapore Share Market 64
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EXPANSION OF CO-OPERATIVES IN CHINA

Peking, in setting forth the tasks ahead for the new year, described as "a big and most joyful event the fact that the 500 million Chinese peasants enthusiastically welcome and desire agricultural co-operation, and take the Socialist road." The People's Daily, however, seemed to have imparted to the peasants a very generous measure of the enthusiasm its editorial writer revealed over the immense release it implies of man-power for labour projects. The expansion of producer co-operatives to two million, representing some 50 million peasant households, would enable "the extremely great man-power of rural China to be brought into play and make over-all planning for the countryside possible." It would also become possible to draw up and carry into effect plans for local irrigation projects and regional development of river basins and a great many social and improvement ideas, to wipe out illiteracy, build roads and telephone networks, wipe out pests and disease-bearing insects and rodents and bring out "tremendous productive forces which were inconceivable before." It would also give a fillip to sideline production and ensure that the total value of agricultural and sideline production will surpass the targets of the five year plan which, in turn, would serve as a great impetus to speedier industrial development. This, in its turn, will create conditions for the mechanization of agricultural production at an earlier date.

Thus the Socialist transformation of agriculture as well as private industry and commerce is advancing in big strides, said the paper, and warranted hope of the over-fulfilment of the five year

plan ahead of schedule. Acceleration in one department meant higher speed in the others: "The development of agriculture, industry and commerce demands that the cultural, scientific and health work must so develop that illiteracy will be wiped out on a national basis within the shortest period of time and that the scientific and technical levels be raised greatly, and in the not distant future, so as to catch up with the advanced level of the world. This confronts the intellectuals of the country with a great task." Therefore, says the paper, industry and cultural and educational work must develop extensively, quickly, soundly, and economically. The demands for quantity, speed, soundness and economy are mutually related and inseparable.

"The year of 1956 has arrived. We are greeting the New Year with our great victories in the work of Socialist construction and transformation, and in other fields. Under the leadership of the CCP and Chairman Mao, we will score still greater successes this year. We know clearly that stupendous work has to be done and the people all over the country must continue to work diligently and strenuously before our country becomes a rich, powerful, industrialized, Socialist country. But we are not afraid of difficulties. 'High mountains have to bow and rivers have to give way': this is the motto of the heroic builders of the Sikkim-Tibet highway. It represents the feeling of all the people in the struggle of building Socialism."

The tone of this New Year editorial was obviously rather forced, which was only to be expected on such an occasion. But only a week or two be-

fore Peking appears to have been almost as perturbed by the rush to join the agricultural producer co-operatives as, before Chairman Mao Tse-tung's remarkable speech to Party secretaries last summer, the leaders had been worried by the ineffectiveness of the official plans and the growth of "capitalistic" influences among the farmers. The target of expansion which Chairman Mao had set for the autumn of 1956 was reached in mid-November and greatly exceeded by the end of 1955.

This raises once more the vexed issue of expansion versus consolidation. Not many of the 600,000 producer co-operatives which existed when Chairman Mao spoke had been properly organised and consolidated. Now the authorities have the consolidation, not of 600,000 but of far more than double that number, on their hands. There are now about 50 million peasant households in the co-operatives, almost half the entire peasant population. The rush to join after the autumn harvest was phenomenal. The local officials found their desks piled high with applications and they had all their time cut out to deal with the paper-work, to the detriment of all the innumerable other functions that fall upon them in the new order of the written word and figure, which is trying to take the place of the immemorial old order of the spoken word.

The response has a lot more behind it than the mere order of the Government, with officialdom's ability to confer or withhold all sorts of aid in credits, fertilizer, implements, and everything else related to agriculture. There is, in fact, a more friendly approach to the problem, spotlighted by the action of Chairman Mao himself (a farmer's son who has always taken a kindly attitude toward the farmers) in taking the lead instead of leaving it to his brilliant second, Liu Shao-chi, whose outlook is far more urbanised. And in the great flood crisis in 1954 many ruined farmers, organised in labour teams of considerable size by the party workers, saw what could be done by forthright organization and leadership by the Party workers in a disaster far too great to be handled by the peasants on their own.

Whether the same response will be evoked by the less spectacular and more trying business of co-operating on the village and hsiang level is a different question. The peasants do not want to remain in that primitive condition to which they have been accustomed through the centuries. They also share, with the factory hands and the city classes, the desire to better themselves and to have more of the good things of life. But they will judge whether the new system helps or hinders them in this objective, and the energy and devotion of the Party workers will thus become the touchstone.

This is quite clearly understood in Peking, where the People's Daily, in an editorial a week or so before Christmas, confided its misgivings to the public while at the same time warned Party kanpu not to be "conceited" when hearing of the figures of victory. Much work has to be done and many outstanding problems settled in these newly-built or

expanded agricultural producer co-operatives (APCs). Ideological mobilization is inadequate, and some of the peasants joined "not completely on a voluntary basis." The appraisal of land, livestock and farm tools is either too high or too low; some APCs are not sure enough in their composition (i.e. feudal-minded rich peasants have got in); poor peasants are in some cases excluded and their "superiority" has not been firmly established. Worse still, many APCs have not yet instituted a proper system of production and management, while an extemporaneous assignment of jobs still exists. Moreover, they are still primary co-operatives and have yet to pass over to the higher co-operatives of Socialist character.

"It is, of course, important to do away with the land dividend (the owner's share of the dividend) in order to develop the APC from the lower to the higher phase, but, what is more important, the Socialist principles must be instituted step by step," says the paper. It says that the smaller co-operatives are seeking to join up with larger ones, apparently because they think this will make the solution of their troubles easier, and favour their demands on government for help in various ways, for stronger guidance in agricultural science and technology, and the supply of more and better farm tools, chemical fertiliser, and other machinery and insecticides. Yet, alas, the majority of the Party and Government personnel in the rural areas are too inexperienced to lead the smaller APCs, let alone to run the larger bodies. "They know nothing about or are unfamiliar with knowledge of agricultural science and technology; and at the same time they fail to follow up closely various phases of rural work." But though they are unable to meet the changed rural situation the many new problems have to be solved and much new work has to be done.

In spite of this, some rural cadres rest content with present success and as they see the farmers rushing in applications to join they draw the wrong conclusion that Party leadership is no longer necessary and that arduous and meticulous work is not required. That is not the only cause of complaint. In other areas the mutual benefit policy is not seriously carried out in appraising the means of production. Price and payment for the means of production are sometimes deliberately forced down. Blind optimism is worst where the greatest influx into the co-operatives occurred: "some of them think they should take a rest now that large numbers of APCs have been built. Some comrades of working teams are in a hurry to ask leave of absence so that they can return to the cities."

This rush does not mean that every peasant in every locality takes the same view or displays the same enthusiasm towards agricultural co-operation. Some who sent in applications and pledges to join "following the arrival of the storm of the Socialist mass movement in the rural areas, are still reluctant at the bottom of their heart to join the APCs." Even those really willing to do so have doubts and fears. Rural cadres must be taught that initial success only

NEW ORDER IN MALAYA

Nobody seems to have bothered to determine precisely what position the Sultans of the Malay States are to hold under the new order. The heavy skirmish between the aged but very formidable Sultan of Johore and the politicians of UMNO merely served to sidetrack the real issue. This is not concerned with what the Sultan had to say—plenty as that was in a time when it is fashionable to denounce Colonialism and all its works and the British Government as expressed in Malaya. It is astonishing to find a man in this day of what passes for grace who knows so well what he is talking about express plainly his appreciation of what the British regime has done for Malaya and his misgivings about what may be the consequences of independence.

Nor is it of paramount importance whether, as Sultan, he had the right to say what he did, though that, too, has become an issue, since the new politicians disputed his right to speak his mind. When, as a result of the politicians, his own Council passed what was tantamount to a vote of censure on him, the old Sultan exploded with wrath a second time, and the more staid of his Councillors suggested they should go round in a body and make their peace with him in all humility!

These picturesque and indeed sensational incidents still leave unsolved, and apparently untouched, the issue of the sovereignty of the Malay States. That sovereignty lies with the Rulers, as the sovereignty of the two former British Settlements lies with the Queen. The "strong central government" set up by the Federation Agreement did not take sovereignty away from the Sultans. On the contrary, the

has so far been achieved, and that planning work lags behind the development of the situation in many areas. In some cases not even simple planning of co-operation is done before building and enlarging the APCs, due chiefly to the sudden upsurge of the co-operation movement and to the cadres' lack of experience.

Now all depends on whether Party organisations of the *hsien* level and above can closely keep pace with the movement's progress. Instances are cited where measures were taken to cope with some of these defects. But the regulations recently issued revealed how difficult and complex is the new form of organisation of rural production, which calls for a mechanism of management not dissimilar to that involved in mines and factories, for which there is far too great a lack at present of requisite personnel. A very limited degree of literacy, and instruction in an elementary method of keeping accounts, are being made the basis of a considerable effort, in which the aid of a small army of primary and junior school-boys is being enlisted. But while at best this may prevent anarchy and incessant quarrelling among the co-operatives over "fair does and dividends," the major factor in the eyes of the peasants will be the degree of real aid they get in the way of better implements, such as double-wheel, double-blade ploughs in place of the primitive one-bladed ploughs which "typed" the farmer of yesterday and of the ages before him.

protection of the rights, powers and dignity of the Rulers was made a special responsibility of the High Commissioner.

No Federation bill can become law until it has received the assent of the Rulers. Each Ruler has undertaken to govern his State in accordance with a written Constitution which shall be in conformity with the provisions of the Federation Agreement; but these State Constitutions have not made the Sultans constitutional rulers in the usual sense of the term. A Sultan is not bound to accept the advice of the Executive Council.

It is not the first time the Sultans have been forgotten, or ignored. The first Malayan Union agreement (the MacMichael draft) met the requirements of the Chinese, even on the question of citizenship, but failed to win the esteem of the Malays. The Malay Rulers boycotted the inauguration of the new regime, and the whole scheme had to be reconsidered and the constitution re-drafted on other lines. It is not to be supposed that the present situation is on all fours with that. Much water has flown under the bridges since then and the position of the Sultans has been shaken by the advent of politicians and parties. But the Alliance which is now really governing Malaya has to make up its mind what position the Sultans must occupy, if any at all, in an independent Malaya.

One incident did, however, point up the importance of the issue. The State Council of Johore notified the Sultan that he would be expected to submit any speech he may wish to make to the *Mentri Besar* first—thus giving the Sultan's Chief Minister much the same status as is held by the Prime Minister in Britain. Dato Sir Roland Braddell, the distinguished lawyer whose family has been for so long and so honourably associated with Singapore and Malaya, stated in an interview that though the Sultan might have chosen a somewhat unfortunate occasion to express his views, he certainly had the right to do so. In the early part of the century great pressure was brought to bear on him to force him into a position similar to that of the rulers of the Federated Malay States. His strength of character and his political sagacity enabled him to retain his State and his own powers, though he accepted a General Adviser under the agreement and the exchange of letters made between him and the Governor of Singapore. No General Adviser in Johore ever attempted to exercise executive powers such as did Residents in the Federated Malay States. Johore became an exceptionally wealthy State, and in the opinion of Sir Roland, the position which it achieved was due to the leadership and wisdom of the Sultan—a man of fearlessness, both physical and moral, who has talked down to Governors and General Advisers in just the same forthright manner he adopted in expressing his pro-British sentiments and in reiterating them with great vehemence after the Council's attempt to gag him. He wrote to the High Commissioner of Malaya saying he didn't care what the other Rulers said; but "for Johore and myself I must have a British Adviser, otherwise works cannot be carried out smoothly."

From his boyhood, after the death of his father, he had had the help of a British Adviser, and he listed their names and detailed how they had helped him to foster Johore's progress. "What do all these new people know? Do they ever work for the Government as I have done? When I took over, Johore had not a single cent in the Treasury and was not even able to pay the wages of Government

employees. I worked with those European officers, from time to time, until Johore became one of the richest States in Malaya and had no debt . . . I wish Johore could leave the Federation right now and be on her own as before, under British protection."

In these days when the "Colonialists" are being abused from high and low by people quite ignorant of such things and with a palpable axe to grind, it is refreshing to have such a tribute paid to other "men of little showing." But the problem remains of how to fit the Rulers into the new scheme of things. It will have to be done sooner or later, and the sooner the better. The Alliance has cleared up the position in regard to the Communist terrorists, though there may be further developments before the delegations go to London to take up the problem of Constitutional revision. But surely it is no less necessary to clarify the precise status and rights of the Rulers.

It is possible that the Alliance is awaiting the report of an independent Commission which it wants to inquire into constitutional questions, including citizenship. But all these things should be cleared up before the "Merdeka" mission goes to London. The Malay point of view will have to be considered on both these problems. It would be disaster indeed if anything is put forward without first obtaining their acquiescence. They were strong enough, by nothing more than a simple boycott, to kill the MacMichael constitution stone dead before it ever functioned. It has been argued that Mr. Marshall's suggestion of citizenship without nationality encourages dual loyalty. Nor is it accepted that naturalisation, as he contends, is too cumbersome in procedure. Britain might consider a further simplification. The

Straits Times recalls that in 1951 Mr. Lyttelton abolished the language test expressly to suit the Chinese, and it asserts that "nowhere in the world is the acquisition of nationality made so easy as in Singapore."

Another issue still to be decided is that of multi-lingualism. Mr. Marshall explained the demand for this as psychological. It had arisen, he said, because those who had been through the "process of subjugation by a foreign Power had a deep urge for a position of equality." To this it is retorted that the only subjugation Singapore has known was under the Japanese; otherwise all invaders had been immigrants, none of whom need remain if that kind of "subjugation" was as intolerable as the Chief Minister represented it. Actually he has shown that he knows how impractical the idea is: and how hard on the ratepayers. He wants to accept it only in "theory" and to have merely the option to use all of them if need be, which would hardly satisfy those who have clamoured for it. The practical view would dismiss it, all the more so since the "option" would certainly require preliminary preparation. Even the Chinese Chamber has admitted how difficult the problem is, though it is the stoutest multi-lingualist of all. They did make one contribution to a solution, which was that Chinese should be limited to Mandarin. That brings it into line with the purposes also of the People's Government in China. Our Singapore contemporary suggests that multi-lingualism should be tested where little damage can be done—namely, in the City Council instead of in the Legislature. That is where, indeed, it would be most useful, though whether the City Council would relish the role of guinea-pig in what is after all a political cry, is another matter.

SOVIET POLICY IN ASIA

It has long been evident that the Soviet diplomatic offensive towards the Near East and South Asia carried within it the seeds of a major Communist dilemma. In wooing the for-the-most-part newly independent and self-assertive states of Asia, the Soviet Union has raised a question as to its own ultimate picture of the area as well as the present day functions of the Communist parties there. The dilemma has been particularly acute for the Indian Communist party, which during the past year has attempted to maintain what it regards as a minimum posture of opposition to the Nehru government while adjusting to the Soviet policy of government-to-government friendship with Nehru.

At long last the USSR has come forth with an authoritative pronouncement of its new programmatic view of the Asian area. In an article in *Kommunist* magazine of August 1955, the author V. Mikheev divided post-colonial Asia into four categories. The first category is the "socialist camp" which comprises the 700-odd million people now under Communist rule in the four orbit countries of Asia—Outer Mongolia, Communist China, North Korea, and North Vietnam.

The second category is comprised of the "regenerated" states, which are today the chief objects of Soviet and Chinese Communist foreign policy in the area. The primary members of this group, India, Burma, and Indonesia, are defined by their strictly "neutralist" foreign policy, which today serves preeminently to block the entrance of US military alliances into South Asia. This "primary" group may also be defined in the Soviet mind by the socialist philosophy of many of its leaders. Other countries which may be considered to belong to the "regenerated" category are Syria, Lebanon, Afghanistan, and Egypt. Ceylon, since its anti-

Soviet performance at the Bandung Conference, is a questionable case.

The third category is made up of the "formally independent states," that is, those states which are fully sovereign but belong to US military "blobs." Examples of this type of state are Pakistan, Thailand, the Philippines, Iraq, and Japan. The "regeneration" of the "formally independent" states through weaning them from US military alliances is clearly a major Soviet objective.

The fourth category consists of the "colonial areas," in which the USSR now includes not only Malaya and New Guinea but even such areas as Samoa and Hawaii.

The *Kommunist* article reveals the true magnitude of the dilemma faced by the Communists in post-war Asia and the adjustments which the USSR has been required to make to the facts of the post-colonial era. The reality of present-day Asia is that only one country (Malaya) and several enclaves (primarily Goa, Macao, and West Irian), to which Moscow has now added Samoa and Hawaii, are today still under Western control. With a deft shift in emphasis since 1951, the Soviet Union has come to accept the "regenerated" character of such states as India and even to praise the neutralism which it once so openly despised. At the same time the Soviet Union qualifies its endorsement of the governments of these countries by pointing out their continued economic "dependency."

In making a neutralist foreign policy the prime measure of the "political independence" of the Asian countries, this *Kommunist* article justifies the diplomatic blandishments which the Communist countries have directed not only to the category of "regenerated" Asian countries but also to

such countries as Japan and the Philippines whom they would like to woo out of the Western system. It also clarifies the tactics of the local Communist parties, which are now to support the Asian governments to the extent that they follow a neutralist foreign policy and embrace a program of social "reform" which closely parallels the Five Year Plans of the USSR and Communist China.

Whether these tactics will be accepted by such parties as the Indian and Japanese as a program of opposition sufficient to permit them to survive remains conjectural. It is to be noted that the Kommunist thesis holds that final "independence" for any Asian country can be achieved only when the "working class" has finally gained leadership. At the same time the ultimate Soviet picture of Asia remains undefined. Although there is a presumption that Moscow still hopes and plans to see the whole area within the "socialist" category as defined by Kommunist (that is, controlled by Communist Parties), the doctrine is not clear as to the Soviet view of the fate of a non-Communist leadership which might follow a foreign policy friendly to the USSR and an internal program patterned on the Soviet Five Year Plans.

* * * *

It is Mikheev's view that post-war Asia has witnessed the "eclipse of the colonial epoch" and has evolved as a result of the "upsurge of the liberation movements" into a hierarchy of four distinct categories of states each of which must be treated in accordance with their position in that hierarchy. These four groups are: (1) "The Socialist Camp" (Communist); (2) "The Regenerated Asiatic States" (neutralist); (3) The Formally Independent States (Western-allied); and (4) The Colonial Areas.

"The Socialist Camp"—Only members of this group are completely independent. Some 700 million inhabitants, or approximately half the population of Asia, inhabit the "independent Socialist states"—the Asian territories of the Soviet Union, the Chinese People's Republic (CPR), the Mongolian People's Republic (MPR), the Korean People's Democratic Republic (KPDR), and the Democratic Republic of Vietnam (DRV). Three of them—the CPR, the KDR, and the DRV, entered the "Socialist Camp" since World War II. They are all guided by Marxist-Leninist Parties ("the most consistent in revolutionary struggle") under whose aegis the people have been mobilized for the "liquidation of all forms of national and social oppression." In these areas, the transfer to state control of the main branches of industry, banks, and foreign trade, the institution of land reform, and the creation of heavy industry, all serve to strengthen the "independence" of these countries and guarantee them economic self-sufficiency.

Soviet policy toward this group of countries alone is one of unqualified support and "fraternal assistance," e.g., the advance of large credits to the KPDR and the CPR and the grant of approximately \$100 million to the DRV.

"The Regenerated States"—The states of this group stand second in the hierarchy with some 500 million inhabitants. This group consists primarily of India, Burma, and Indonesia, which are characterized as politically independent but economically dependent countries—"former colonies which have achieved state independence and are now acting independently in the international area; but which in view of historical conditions have not yet been able to extricate themselves fully from economic dependence on foreign capital."

Accordingly, Kommunist sets forth two major shortcomings of the "regenerated" states which will continue to be legitimate targets for Communist propagandists. First, their dependence upon "foreign" capital will be viewed as a prime

hindrance to efforts on the part of the governments of these states to solve the tremendous tasks confronting them. Second, the internal machinations of such "reactionary classes and groups as the feudal land-owners, powerful capitalist-compradores and the direct agents of foreign imperialists" will be attacked as impeding economic and political progress.

At the same time the Communist approach to this group of governments is no longer to be one of indiscriminate opposition on the ideological grounds that they are "semi-colonial" areas under foreign control. Instead, as Kommunist points out, the Communist Parties in these countries are to "support all progressive measures of the national governments and strive for a more resolute onslaught on the positions of foreign colonizers and land-owners" (emphasis added); they are to favor national unity against "the imperialists and their agents" remaining mindful, however, that the role of the "working class" demands continued pressure for "profound social reforms, land reforms, and the liquidation of the economic positions of imperialism." And, indeed, Soviet and Chinese Communist foreign policy towards these areas will be one of great sympathy and friendship.

Burma, India, and Indonesia—the truly "neutralist" countries of Asia—constitute the primary members of this group at present. However, other countries, not necessarily former colonial areas, are apparently also included in the category of "regenerated states" and are to be encouraged to institute closer relations with the Communist bloc. Kommunist observes that the peoples of such countries as Iran,[†] Syria, Lebanon, Afghanistan, and Egypt, are "struggling more and more resolutely for national independence and have scored considerable successes in the struggle for independence and an independent foreign policy."

It is clear that, in the present Soviet conception, a "neutralist" foreign policy is the prime touchstone of a "regenerated" state. That is, the measure of an Asian country's political independence (but not economic independence) is the country's desire to remain absolutely uncommitted to the major world power blocs. In this respect the Soviet approach to the Asian and European countries is of one piece.

There is a question, however, whether the favorable Soviet view towards the "regenerated" states is not also in part determined by the prevailing socialist philosophy of many of their leaders. It may well be that Moscow finds diplomacy in Asia a fertile field of opportunity because of the wedding of a widespread philosophy of economic development very much akin to that of the USSR, to a foreign policy which is hostile to US efforts to build an anti-Communist front.

In this respect Soviet policy has come a long way since 1947 when Zhukov, a leading Soviet theorist characterized the neutralist movements in Asia as follows:

In order to undermine the internal forces of resistance in the colonies and semicolonies, the imperialists and their agents are mobilizing, as before, not only the old devices—every possible reactionary religious and philosophical teaching—but are even modifying to fit the Orient the "theory," now fashionable in Europe, of "the third power." It is characteristic that the English, whose affairs in the colonies are especially bad, are spreading this theory—in a roundabout way, to be sure.

According to this theory, the countries of the Orient should maintain strict neutrality in the struggle between the two forces, Communism and imperialist. It is significant that the theory of the third power has especially wide currency and success among the Indian bourgeoisie. It

[†] This article was written prior to Iran's adherence to the Baghdad Pact which would automatically transfer Iran from this group to the category of "formally independent states."

is needless to point out that the long ears of the Laborites stick out on the authors of this theory. The meaning of this whole theory amounts to this: the imperialists and their helpers seek to calumniate the USSR, and to this end they place her on the same level with the American imperialists.

"The Formally Independent States"—Members of this group include such countries as Pakistan, Thailand, the Philippines, Iraq, Japan, and an unspecified "number of other countries" which Kommunist describes as "formally independent but which have bound themselves to participation in the aggressive military blocs . . . and thereby seriously undermined their independence." Kommunist asserts that the "militarizing" of these states is in no way justified; that the assertion of a threat to the independence of these nations is a "fraud"; and that the conclusion of regional military agreements serves only to "encroach upon the interest of all Asian countries, engenders the threat of new military conflicts in Asia and contradicts the growing unity of the Asian people."

Soviet policy in the past toward such countries was to treat them with disdain and to castigate their "puppetry" to "western aggressive circles." Kommunist suggests that in the current situation even this group of states is to be approached with a "carrot" instead of a "stick." Both Soviet and Chinese Communist policy toward these states is set forth as one that seeks "to encourage trade and cultural relations with them on the basis of equality, mutual profit, and respect of national sovereignty." Such a philosophy underlies recent Chinese Communist overtures toward the Philippines and Thailand, for example.

It is of interest to note that neither the Republic of Korea, the Republic of Vietnam, nor Taiwan is included by Kommunist in this category of states. The studious avoidance of these governments evidences the continued Soviet view that their Communist counterparts are considered sovereign, at least de jure, over the whole of these countries and the conviction that this sovereignty will, in time, become de facto.

The Colonial Areas—Significantly, this group of countries receives the briefest treatment and is described as including Malaya, New Guinea, the Samoan and Bismarck Archipelagoes, the Solomon Islands, Hawaii, and certain unspecified others.* The inclusion of Hawaii and the oceanic territories in this group reveals a ludicrous effort to keep alive the issue of colonialism which is rapidly becoming moribund. On the other hand, the fact that no effort is made to belabor the characteristics of this group or to provide an approach to these areas may reflect a growing realization on the part of Communist leadership of the increasing irrelevance of this argument in present-day Asia—a realization which probably underlies the Communist trend to shift propaganda emphasis from "anti-colonialism" to the theme of "Asian Solidarity."

Mikheev's over-all view of Asian prospects holds that the face of Asia has changed and the Summit Meeting has created a favorable situation for the solution of some highly important international questions. However, certain Asian

problems continue to be a source of concern. These problems he outlines as: 1) the Korean question; 2) the fulfilment of the Geneva Agreements in Indochina; 3) the seating of Communist China in the United Nations; 4) Western attempts to isolate Communist China and the "socialist states" of Asia from their Asian neighbors; and 5) Western-sponsored blocs, pacts, and bilateral agreements.

To solve such problems, Mikheev suggests nothing more specific than "peaceful negotiations on the basis of equality and mutual respect of the interests of the parties" and endorses Chou En-lai's recent proposal for the conclusion of an "Asian peace pact" to replace the present system of "antagonistic military blocs." At the same time, friendly Asian states are encouraged to extend their economic and cultural ties with the countries of the "socialist camp" in the interest of their own economic betterment and all other Asian states are urged to establish friendly relations with the "socialist camp" on the basis of the "Five Principles of Coexistence."

Beneath these verbal trappings lies Mikheev's basic thesis which holds quite orthodoxly that "real independence" can come only with the ultimate victory of the working class under the leadership of the Communist Party. It

* Hongkong has not been mentioned by the Soviet publication, which is the leading theoretical organ of the CPSU Central Committee, in the article "New Asia" (issue No. 12 of August 1955). Macao however is included in the list of the so-called colonial areas and so are Singapore, Malaya, Goa etc. It seems that Soviet writers are reluctant to enter into discussions of the position of Hongkong but some references were made in certain Russian publications which however have not been reaching the attention of non-communist political analysts. In some Peking publications, prohibited from export and which only by devious routes manage to come to Hongkong, unfriendly comment concerning Hongkong has been found, and in certain universities in Shanghai students of political science and government are being taught that Hongkong remains Chinese territory and that its reincorporation into China, as a 'special administrative area', is "impending". (Ed).

PROGRESS IN HOUSING

By John Kingsley

In the ten years since 1945 almost 2½ million permanent houses and flats have been built in the United Kingdom, the equivalent of one new dwelling for every 23 of the population. An examination of the annual totals of completions puts this achievement in even better perspective. From 56,000 in 1946 the first full post-war year when many other equally urgent demands were being made on limited supplies of labour and materials the annual totals rose to 141,000 in 1947, to 232,000 in 1948 and settled down over the following three years to an average of 204,000, which was in line with the resources then available. The upward trend began again in 1952, with 248,000 dwellings completed, followed by 327,000 in 1953 and the record of 354,000 in 1954.

These figures should be considered in relation to certain other significant facts. Since the post-war housing programme was launched, additional accommodation exceeding 460,000 units has been provided by the repair of unoccupied war-damaged property, the conversion or adaptation of existing buildings (such as the turning into flats of big and otherwise uneconomic houses) and the erection of some 156,000 prefabricated temporary bungalows. Since April 1945, about 775,000 war-damaged but occupied houses have been repaired by local councils, while substantial numbers of further properties have been similarly treated by private builders. (The exact figures are not available). Thus, apart from the latter work, the aggregate of permanent and temporary dwellings provided has been something like 2,700,000, or one for every 19 of the population.

The programme has been reshaped as it has unfolded, to take account of lessening degrees of urgency, the need for changes of emphasis, the availability of resources, and the pressing requirements of other sections of the economy such as the development of export trade and the expansion or re-equipment of key industries and the utility services. Though general policy has been formulated by the central government, its application has been left almost entirely to local government, through the local housing authorities.

In the earlier years full control was exercised through a strict licensing system for all new building and heavy emphasis was laid on local authorities providing the greater proportion of new dwellings for letting. Though certain ratios (such as three or four publicly-built houses to one privately-built house) were formulated at various times, they were only roughly followed and, as various pressures relaxed, they began to go by the board, until the complete

abolition of licensing was reached in 1954. Consequently, as a few figures show, the rate of private house buildings has been expanding at a good pace. Of the 141,000 houses completed in 1947, some 41,000 were for private owners. By 1951 the number of private houses built was 25,000 out of 202,000, but in 1954 there was a rise to 92,000 out of 354,000, giving private building a ratio of more than one-in-four. During 1955 the ratio has further improved and is now approaching two-in-five.

Considerable resource has been applied to the whole-gigantic task. Non-traditional methods of building have been encouraged and applied, including various methods of pre-fabrication, new means of construction such as steel houses, and greater standardisation of materials and fittings. Architects, designers, builders and the building and equipment industries have co-operated to achieve economical planning of floor space, improved amenities, better insulation and lighting, and to improve standards of finish. They have had considerable and active encouragement from the Government which has sponsored research and planning and such invaluable facilities as those provided by the Building Research Station.

The result is that the average post-war British house, particularly that built by a local authority, is an improvement on its pre-war counterpart and stands comparison with the best anywhere else in the world.

On the financial side, local authorities have been able, until recently, to raise all their money through a central lending agency, the Public Works Loan Board. There has been no shortage of funds for private ownership. Building societies, insurance companies and other bodies have been advancing increasingly large amounts at competitive rates of interest. The Government has also helped. Local authorities, for instance, may if they choose lend up to 90 per cent on houses valued at not more than £5,000. Under another scheme which is in increasing use the Government, the local council and a building or friendly society can join in a three-party guarantee. This enables the building society to lend more than the normal amount, on houses costing not more than £2,500. For instance, 95 per cent. can be lent on houses built after 1918, or 90 per cent. on others, as against the normal ratio of 80 or 85 per cent. or less.

Further Government aid is provided under another scheme. This is designed to encourage the improvement of older property and the conversion of big houses into flats. Local councils, who themselves provide only about one-quarter of the money, may make grants of up to one-half (with a maximum of £400) for agreed improvements or conversions costing more than £100. This scheme has also been in growing demand in recent times, with excellent results. Uneconomic properties have thus been turned into good houses or flats, with modern amenities and longer lives.

In fact, this development is one significant aspect of a present re-phasing of the general housing plan. With the most urgent parts of the programme achieved, it is clearly time to re-deploy resources over a wider field. After reaching as high a building rate as 350,000 dwellings a year, it is now much more feasible to keep to a steady output nearer to 300,000 a year, and to divert more attention to the improvement of older property with a good useable life, and to other pressing demands on the nation's resources.

is to be noted that it is this criterion alone that distinguishes the members of the "Socialist camp" from the rest of Asia. In this regard Mikheev observes that while this "working class" is not numerous in Asia, its real strength lies in its "consciousness, organization, its firm international ties." Further, its strength lies in its ability by "revolutionary action" to activate the peasantry which is an active participant in the "liberation movement" everywhere. Since the peasantry connects the question of independence with the question of land, says Mikheev, local Communists should recognize that in the agricultural societies of Asia, the revolutionary movement of the masses against the "imperialists" is integrally related to the struggle of the peasants against land-owners.

OPERATIONS OF THE EXPORT-IMPORT BANK OF JAPAN

Japan, during the period of occupation, rehabilitated most of its manufacturing industries but had to face enormous difficulties to regain its position in foreign markets as a supplier of plant, machinery and industrial equipment. With the return of buyers market conditions, Japan found it difficult to develop its export trade and special facilities were required to be offered to manufacturers and exporters. With that end in view Japan enacted the Export Bank of Japan Law in 1950 under which the Bank was established in December 1950, as an institution designed to assist in the financing of exports.

During the working of the bank, the government felt the necessity of further extending the operations of the bank so as to cover the financing of imports, particularly those of raw materials required for the manufacture of exportable goods; the Act was accordingly amended in April 1952 to cover such financing of imports.

During the course of its financing operations, it was realized that better opportunities existed in some of the under-developed countries for expanding Japan's sphere of activities both in export and import trade, as Japan's customers abroad were helped financially by way of investments, as financial partners, in productive enterprises such as mining of iron ore and manganese ore in the Philippines, India, Goa and manufacture of high-tension insulators in India. The Act was therefore amended a second time in August 1953, under which the bank was empowered to undertake not only financing of export and import trade but also to encourage investments and financial participation in productive enterprises in foreign countries. These investments are naturally tied up with the stipulation that the plant and machinery required for such enterprises would be of Japanese manufacture; in fact the bank financed the purchase of Japanese machinery for use in productive enterprises in the countries of importation.

The object of the Export-Import Bank of Japan, according to the Act as amended in 1952-53, was "to supplement and encourage the export and import financing of ordinary financing institutions for the purpose of facilitating the foreign trade of Japan through financial aid". The Bank does not compete with but assists or supplements private capital in financing the foreign trade of Japan.

As it is considered essential in the interest of Japan's economy to maintain continuous expansion of exports, particularly of heavy equipment and machinery, the bank undertakes financing of its exports under deferred payments terms inasmuch as it is not possible for commercial banks to extend credit for a long period of years to finance such type of exports.

The business operations of the bank are of five kinds: (1) export financing, (2) import financing, (3) financing of overseas investment, (4) financing of overseas enterprises, and (5) guaranteeing of liabilities.

Export financing. The bank undertakes the following three types of financing exports:

(a) **Loans to domestic firms.** The Bank makes loans to Japanese exporters or manufacturers on a participation basis with commercial banks for the purpose of facilitating the sale abroad of equipment (including ships and rolling stock) manufactured in Japan and of technical services of Japanese corporation or individuals.

(b) **Discounts in favour of domestic firms.** The Bank re-discounts notes for city banks which have made loans fulfilling the conditions of (a) above, in favour of Japanese exporters or manufacturers.

(c) **Loans to foreign firms.** The Bank makes loans to foreign governments and their agencies, foreign local authorities, foreign banks or foreign firms for the purpose of facilitating their purchase of equipment or technical services in Japan.

Import financing. The bank grants the following two types of financing imports:

(a) **Loans to domestic firms.** The Bank makes loans to Japanese importers or manufacturers in order to facilitate imports of raw materials and other goods.

(b) **Discounts in favour of domestic firms.**

Financing of overseas investments. The Bank makes loans to Japanese exporters, importers, manufacturers or other Japanese corporations or individuals to provide funds needed for investing in foreign corporations, acquiring stocks in foreign corporations or lending equipment to foreign corporations.

Financing of overseas enterprises. The Bank similarly makes loans to Japanese manufacturers or other Japanese corporations or individuals to provide funds needed for installing or expanding equipment required for the productive purposes in foreign countries.

Guaranteeing liabilities. The Bank undertakes to guarantee such liabilities of all those manufacturers, exporters and importers who can obtain loans under any of the categories indicated above.

In all of its credit extending operations, the bank is guided by certain basic principles as under: (1) The bank can extend only such credits as are considered difficult for commercial banks and other financial institutions to grant on ordinary terms. (2) To be financed by the bank, there must be a specific export, import or investment contract which has already been concluded or is certain of conclusion. (3) All loans, discounts or guarantees must offer reasonable assurance of payment, settlement or fulfilment. (4) In the case of export or import financing, the fulfilment of obligations arising from the export or import contract—namely, the exportation or importation itself and the payment of the stipulated prices, must be deemed certain. (5) The bank can undertake the import financing only when the importation in question is considered essential to the sound development of the national economy. (6) The bank can undertake the financing of overseas investments on enterprises when they serve to facilitate the sale abroad of equipment or technical services, or shift the country's import markets to more advantageous areas.

Capital. The capital of the Export-Import Bank of Japan is 21 thousand million yen (Y360 = US\$1) and is provided by the government from the Industrial Investment Special Account. The bank has to borrow 8 thousand million yen from special accounts to meet the increasing demand for financial assistance to the Japanese exporters. The bank's operating funds stand at present at 29 thousand million yen.

Control and management. The control and management of the bank is in the hands of officers consisting of a pre-

JAPANESE COTTON INDUSTRY

Developments in 1954

Cotton yarn production in the first half of 1954 maintained the high level of 81-million lbs. (approximately 200,000 bales) per month, far exceeding the average monthly production of 64-million lbs. (some 160,000 bales) of the same previous term. The second half of 1954 showed a downswing in production, the monthly average being 74-million lbs. (approximately 180,000 bales), as the result of the carrying out of self-initiated production curtailment due, besides other factors, to the inactivity of the domestic market arising from the permeation of deflation, and to the uncertainty over the possible raw cotton supply shortage in the face of the aggravation of Japan's foreign currency position. For the entire year, however, the production total reached 932-million lbs. (approximately 2,330,000 bales), not only exceeding the 1953 annual total of 861-million lbs. (approximately 2,150,000 bales) but also recording a new postwar high.

sident, vice president and not more than three directors and not more than two auditors. The president, vice president and auditors are appointed by the Prime Minister. The directors are appointed by the president. The term of office of each of these officers is four years.

Rates of interest. The rates of interest and discount are not fixed in the Act creating the Export-Import Bank but they are to be so fixed as to yield interest from loans and discount fees in amounts sufficient to cover operating expenses, expenses for the delegation of business operations and also such losses as may be incurred in connexion with the utilization of assets. These rates are determined by the bank after due consideration of prevailing commercial rates. During the course of its four years of existence the rate of interest at 7.5 per cent in the first year was reduced to 5 per cent in the fourth year of its working and in special cases even to 4 per cent.

Terms of repayment of loans and terms of fulfilment of liability guarantees. The bank usually grants credit for a period of more than 6 months but less than 5 years. In certain cases the period can be made less than 6 months but more than 3 months and more than 5 years but less than 10 years. Commercial banks which have already discounted notes payable by the Japanese traders or manufacturers can present such notes to the bank for re-discounting.

The bank's budget. The budget of revenue and expenditure is to be submitted to the Minister of Finance and after it is proved by him and by the Cabinet it is to be finally submitted to the Diet for approval. The bank's budget is handled by the Diet in the same manner as the government's budget. During the course of its four years of working, the bank was able to secure 311 major export-import transactions by extending loans and guarantees of the value of 71.4 thousand million yen.

Recovery of loans and profits. The recovery of loans during the four years has been quite encouraging and the bank was able to show profit in its working as under:

For the fiscal year	Net profit earned (million yen)
1951-52	115.5
1952-53	919.8
1953-54	1,048.1
1954-55	526.4

Cotton cloth production exceeded 250-million sq. yds. each month with the exception of January and August. The year's total production reached 3,039-million sq. yds. (of which production volume of side-line fabric department of spinning companies was 1,113-million sq. yds.), surpassing the previous year's aggregate of 2,709-million sq. yds. by 330-million sq. yds. Thus cotton cloth production set a new postwar record side by side with cotton yarn.

1954's cotton cloth export totaled 1,279-million sq. yds., registering an increase of 40 per cent compared to 1953. This was a new postwar high in export volume and ranked first among the world's cotton cloth exporting countries. The following major causes can be enumerated for the marked expansion of cotton cloth export: (a) The relaxation of import restrictions in the Sterling Area against Japanese goods as a result of the revision of the Anglo-Japanese Payments Agreement at the onset of the year. Sudden increase was witnessed especially in exports to Pakistan. (b) Increase of exports to Open Account Area. (In spite of the slight drop compared to the previous year due to restriction measures on exports to Indonesia, it still maintained the 283-million sq. yds. level while marked upswing was seen in exports to Thailand and West Germany). (c) Exports to the Dollar Area, such as those to the United States, Mexico, etc., increased.

Cotton yarn export showed a 40 per cent increase in volume, totaling 27,651,000 lbs. to recover the level of 1952's postwar high.

Not only did exports expand but production also showed a record-breaking upswing. Domestic consumption declined due to the permeation of deflation and a sudden rise was seen in cotton goods inventories. This brought pressure to bear upon the market and decline of prices became conspicuous. The result was that business did not pay, financing became difficult, and pessimism as to the future developed—the situation evolving even to the point of liquidation or bankruptcy of small and medium fibre companies. With this as a turning point, examination of measures to vitalize business firms resulted.

The Trend in 1955

Entering the year 1955, cotton yarn production remained at 1,078,000 bales for the January-June period, affected by the curtailment of plant operation from May onward, the output showing an 11.3 per cent reduction compared to the same previous term. The export of cotton cloth registered only 498-million sq. yds. due to the dullness of shipments to Indonesia and Pakistan, showing a decline of 20.8 per cent compared to the same previous term. Domestic demand also slipped downward, resulting in a glut of cotton yarn stocks on hand in both production and circulation categories. At the end of May, stocks on hand exceeded 500,000 bales in terms of cotton yarn. In addition, the cotton yarn and cloth market slumped due to uneasiness over future decline of the price of raw cotton, aggravating the business of a section of small and medium spinning and weaving companies.

Results of plant operation curtailment became marked on and after July bringing on a downward trend, the output of pure cotton yarn being held down to 162,000 bales for both July and August. On the other hand, cotton cloth export regained satisfactory tone, registering 135-million sq.

JAPAN TOURIST ORGANIZATIONS

In an effort to stimulate Japan's international tourism there has been an important reorganization of the government subsidized part of the industry. The Japan Tourist Association was created last June 1 and the Tourist Industry Division of the Ministry of Transportation was raised to the status of a Bureau August 10.

Tourists in 1954 numbered 87,055, of whom more than half are Americans, who spent an estimated US\$38,487,000. This appears to be a substantial increase over 1936's 42,568 visitors who left behind US\$31,220,000, but the fact is that whereas the 1936 revenue amounted to four percent of the national income, the 1954 spending slumped to two percent of Japan's earnings. Japan's tourism has shown a steady improvement each year since 1947, increasing about fifteen percent in 1954 over 1953.

The Japan Tourist Association was established with the cooperation of the Japanese National Railways, Japan Travel Bureau, Tokyo Metropolitan Government, Japan Federation of Tourist Associations, Japan Travel Promotion Association and other local governmental and transportation organizations. In the promotional field of Japan's international tourism, these organizations had, for the past ten years, been carrying on their respective duties and services, but the necessity of establishing a more powerful organization had become apparent. Katsuhiko Hamaguchi, former President of the Tourist Industry Council, the Prime Minister's Office, and of the Bank of Tokyo, was appointed to the post of President. Iwao Yokota, Counsellor of the Japan Travel Bureau, was appointed Managing Director. This new organization has its general office in the Kokusai Kanko Kaikan Building at 1 Marunouchi, 1-chome, Chiyoda-ku, Tokyo, and also maintains two Japan Travel Information offices in the United States; in New York City and in San Francisco.

yds. for July and 161-million sq. yds. for August (highest figure for the year).

As to domestic demand, the market recovered rapidly from the lowest point at the beginning of June due to improved demand situation resulting from active retail demand for summer goods followed by the smooth anticipated demand for autumn and winter goods in expectation of the bumper crop boom. Thus cotton yarn and cloth stocks declined to the level of 451,000 bales in terms of cotton yarn at the end of July.

Cotton yarn and cloth production is expected to maintain the downward trend by curtailment of operation. Cotton cloth export may keep a favourable pace for the time being. Home demand will increase considerably. The outlook is that the market will maintain a firm tone and that inventories will decrease considerably.

There exist the following fundamental factors behind the instability of Japan's cotton industry: (1) Absolute excess of facilities. (At the end of June, 1955—spinning facilities: 8,018,000 spindles; weaving facilities: 375,000 units. This is an excess of 1-million spindles and 200,000 looms on the basis of the average monthly production level of 175,000 bales). (2) The competition with the advancing of man-made fibres. (3) Keener international competition as new cotton goods exporting countries emerge. (4) Uneasiness as to future decline of raw cotton prices due to international cotton surplus.

The Tourist Industry Division of the Transportation Ministry, which had been concerned with the administrative business of Japan's tourist industry, was promoted to the status of a Bureau under Director Daijiro Majima.

The establishment of these new organizations is significant to the Japan Travel Bureau because of the extension of the sphere of activities. It was on March 12, 1912, when the "Japan Tourist Bureau," predecessor of the present Japan Travel Bureau, was established with contributions from the Japanese Government Railways and many other sources, such as transportation organizations, banks and hotels. Keeping pace with the development of the tourist industry in Japan, the activities of the Japan Tourist Bureau were extended year by year, and at the beginning of World War II the number of ticket and information offices in Japan reached 200 while overseas branch offices were being maintained in about 40 cities of the world. In September, 1945, the name of the organization was changed to the Japan Travel Bureau.

The principal activities engaged in by the Japan Travel Bureau are as follows: supplying information to travelers regarding travel facilities in Japan and introducing Japanese culture to foreign lands; furnishing travelers with services, mainly assistance in making travel arrangements; sale of all kinds of transportation tickets, hotel coupons, travelers' checks and travel literature; and publishing travel books in Japanese as well as foreign languages.

Apart from the government-subsidized Japan Travel Bureau, other travel agencies have established tourist sections to meet the increasing domestic and foreign needs for specially arranged and guided tours of Japan. There are mushrooms of tour offices and companies located throughout Japan, but among the more popular in Tokyo are Kei-Han-Shin, Nippon Express, American Express, Everett Travel Service and Yaehiyo Kanko K.K. Kei-Han-Shin or Hankyu, established in 1937, started their travel section branch in 1953. Nippon Express Co., Ltd., has an extensive network of almost 2,000 offices scattered throughout Japan, thereby having the advantage of flexibility in locale to see to the needs of tourists. Everett Travel Service is a branch of Everett Steamship Corporation.

Tourism is a growing concern in Japan. It contributes much toward a country's economy and foreign exchange. It promotes goodwill and fellowship among nations. Japan, as the gateway to the Orient, stands high on the ladder of tourist spots in the world.

Year	Sojourners	Shore Excursionists	Total	Expenditures US\$1,000
1936	42,568		42,568	31,220
1947	482	67	549	634
1948	1,698	4,612	6,310	3,445
1949	8,326	6,967	15,283	7,709
1950	10,814	10,525	21,339	9,946
1951	20,072	36,168	56,238	14,828
1952	36,495	35,643	72,138	27,800
1953	40,752	34,673	75,425	32,987
1954	48,296	38,759	87,055	38,487

Sojourners: Those who remain ashore.

Excursionists: Those who return to their ships at night.

REPORTS FROM CHINA

Scientific Research Projects

Peking recently laid much emphasis upon scientific research in the increase of industrial and agricultural output and in the development of Chinese medicine. The National Agricultural Research Conference, called by the Ministry of Agriculture early this month, decided to set up an Academy of Agricultural Sciences by the end of 1956. An institute of agricultural and animal husbandry will be set up in Tibet before 1957. Two research institutes of agricultural machinery, one in the north and another in the south; institutes of plant protection and agricultural economy; as well as cotton, oranges and tea research institutes will soon be set up. Agricultural research work throughout the country will be strengthened. A national agricultural exhibition will be held next year to popularise developments in agricultural production and achievements in agricultural research. Over 640 research achievements will be introduced as widely as possible. The major task of the conference was to draw up a 12-year research programme in accordance with Mao Tse-tung's programme for agricultural cooperation and the development of agricultural production. A co-ordinating committee of agricultural research was set up to organise research in agriculture, forestry, water conservancy and meteorology. Scientists were asked to find ways and means to increase agricultural output and to wipe out 12 major grain and cotton diseases and pests in the next seven years.

Starting from next year, scientists will have to take a greater part in the overall development plan for basins of the Yellow River, Yangtze River and Huai River and other major rivers. They will survey all the waste lands in the country. In three years, the farming acreage under selected varieties will be enlarged. Other subjects for study include: agricultural machinery, soil conservation, irrigation, fertilising, and the application of atomic energy to agriculture. The aim of the project is not only to increase agricultural output but also to promote agricultural cooperation. Work will therefore be concentrated on state and cooperative farms so that their output can be higher than private farms. The North China Agricultural Research Institute will co-operate next year with other scientific institutions to increase the per-hectare yield of agricultural producer co-operatives. They will concentrate on an area of over 31 million hectares of farmland. The institute will help to draw up a system of technical methods to increase cotton and grain output and give technical guidance. In addition, to meet the needs of the agricultural cooperatives, first steps will be taken for research work in technical methods for mechanised farming in co-ordination with state mechanised farms and tractor stations.

More than 30 laboratories have been set up by the four research institutes under the Ministry of Heavy Industry. The institutes carry out research in iron and steel, non-ferrous metals, chemicals and building materials. Most heavy industry enterprises now have their own research laboratories.

Anti-biotic research plan for the next two years was decided at an enlarged session of the National Committee of Anti-biotic Research held early this month in Peking. New antagonists will be studied. The improvement of methods to produce anti-biotics will also be studied. Experimental clinical application of domestic aureomycin, syntomycin (chloromycin) and streptomycin on several marrow diseases will also be carried out.

The Research Academy of Chinese Medicine was recently inaugurated in Peking. A research committee of Chinese medicine was also set up. The Academy will systematically study Chinese medicine, pharmaceuticals and clinical experience through the cooperation of doctors of Chinese and Western medicine. It will also compile Chinese medical books, collect secret prescriptions and train teachers for Chinese medicine. It has a library of 30,000 books of Chinese medicine in 1,800 titles. Awards were given to three medical groups for the cure of encephalitis, peptic and gastric ulcers by ancient methods of treatment. A veteran doctor of Chinese medicine was rewarded for offering to the state his family's secret prescription for a herbal medicine for the cure of schistosomiasis. The Vice-Minister of Public Health announced that there would be research institutes for Chinese medicine in various provinces and cities, and additional hospitals and clinics of Chinese medicine. The Propaganda Department of the Central Committee of the Chinese Communist Party boasted that the research academy would develop China's medical heritage for the benefit of both the Chinese people and of people of the world. Separate institutes specialising in medicine, surgery, acupuncture and pharmaceuticals will be set up under the academy. Thirty well-known doctors of Chinese traditional medicine have been drawn from all over the country to take part in the academy's work. One hundred and twenty faculty members and graduates of medical colleges and doctors in modern medicine have arrived to join a two-year research course of traditional medicine. Chinese medicine dates back several thousand years. At the present there are about 470,000 practitioners in China mostly in villages. In the next two years the Academy will emphasize research work in diseases of liver and gall bladder, asthma, rheumatism, intestinal diseases, dropsy, high blood pressure, cancer and tuberculosis of bone and lymph glands.

The Chinese Academy of Sciences is also setting up half a dozen new research centres in Northwest China including the Northwest Institute of Agrobiology which has already started work. Buildings for research centres in archaeology, petroleum, geology, geophysics and veterinary medicine will be completed next year. The Northwest Institute of Agrobiology will concentrate on soil conservation in the middle reaches of the Yellow River and carry out comprehensive theoretical research in biology, agriculture, forestry and animal husbandry.

Early this month in Peking, China and Czechoslovakia signed a protocol under which China will accord scientific and technical aid to Czechoslovakia on water conservancy projects, the development of magnesium production, the processing of raw silk, the production of cigarettes, the processing of skin and fur, the planting of tobacco, the supply of agricultural seeds and plant species, specimens of Chinese medicinal herbs and species of contagious disease germs. At the same time, Czechoslovak experts will come to China to study botany. In return, Czechoslovakia will provide scientific and technical aid to China on the manufacture and research of power equipment, the manufacture of up-to-date building materials, the manufacture of synthetic silk, the production of anti-biotics, polarisation analysis and light industries. Chinese apprentices will practice in Czechoslovak plants. Czechoslovakia will send experts to assist the work of Chinese scientific research organisations, machine-building industry and asbestos extraction departments. Chinese experts will also go to Czechoslovakia to study construction projects.

Cooperative Movement

The number of agricultural producers' cooperatives in China came close to 1.4 million by the end of November. They included nearly 50 million peasant households, or over 40 per cent of all peasant households in the country. Peking also claimed that most of the peasants in China would be working in cooperatives by next autumn. In most provinces in North and Northeast China, the majority of peasants are already in cooperatives. In Hopei, Shansi and Heilungkiang, cooperatives have already swallowed 70 to 80 per cent of the peasant households. In Shantung, Kiangsu, Anhwei, Chekiang, Fukien, Honan, Hupeh and Kwangsi, 50% of the present households have joined cooperatives. Remoter areas like Chinghai, Inner Mongolia and Sinkiang are showing a similarly rapid rate of growth. Over half the peasant households in the agricultural districts of Chinghai have taken up cooperative farming. Upper middle peasants are also coming in. In Heilungkiang, 50 to 70 per cent of all upper middle peasants are already members of cooperative farms. A total of 110,000 peasant families in the Peking administrative area have now joined cooperative farms. Last spring the total was some 55,000. Peking claims that one of the most important reasons for the popularity of cooperative farming is the increased income it yields. The number of peasant households organised in agricultural cooperatives in Liaoning recently jumped to two-thirds from last year's one-third. By the end of this year the proportion will reach three-fourths, or 1.8 million peasant families.

The Growth of State Capitalism

Half of the private commercial firms in China's 32 main cities have been organised into one form or another of state-capitalism. In the transformation of a whole trade into joint state-private enterprises, state investments are made in the form of goods. Private investments become shares in these stores, receiving a fixed interest. Another form of transition is to commission private stores as sales agents, and later to transform them into state shops, retaining the employees. As to the very large number of small stall-keepers, they are either absorbed into joint state-private stores or organised into cooperative stores.

Private factories with more than 500 workers each have in the main been brought under joint state-private management in China. These factories, mainly producing textiles, silk, matches, and cigarettes, are located in Shanghai, Tientsin, Canton, Chungking and other industrial centres. There are now 295 joint state-private enterprises in Tientsin. 87 per cent of the total output of Tientsin's private industry was produced under state contracts. The city's wholesale trade is now almost entirely run by the state. State retail trade accounts for 44 per cent of all the retail trade. Most of the private retailers now act as state agents. It is expected that by 1957, all private industry and commerce in this city will be under joint state-private management.

Most private industry and commerce in Shanghai will change over to joint state-private operation within two years, according to Hsu Chien-kuo, Vice-Mayor of Shanghai. This statement was made at a recent session of the municipal people's congress which was attended by 676 deputies. More than 300 representatives of state and private enterprises attended as observers. In his report, the vice-mayor said that 396 private factories had been transformed into joint state-private enterprises. State commercial enterprises controlled 95 per cent of wholesale business. Trade of private commercial firms which purchased commodities from state and retailed them at fixed prices amounted to 40 per cent of the total trade volume handled by merchants.

This year, whole trades or the bulk of them were brought under joint state-private operation, instead of just individual enterprises. Twenty-one trades in both light and heavy industries had been reorganised in this manner. By the end of November, the report admitted that there were still more than 27,000 private workshops, mostly small and medium workshops, or 98 per cent of the total number of private workshops, outside the sphere of joint state-private operation. The combined output value of these workshops was 55 per cent of the total output value of all private factories. The number of workers in these factories constituted 65 per cent of the total number of workers employed by private industry. There were more than 54,000 big and small private commercial units in Shanghai. A very small proportion of these had been brought into joint state-private operation. In addition, there was an enormous number of small traders who had not yet been brought completely within the scope of state planning.

Industrial Output and Expansion

Major industrial enterprises throughout the country overfulfilled their aggregate production target for November by 5.3 per cent. These include state-owned and joint state-private enterprises under central and local authorities. November production plans were exceeded or fulfilled in the manufacture of following 27 major items: pig iron, steel, rolled steel, copper, electric power, coal, crude oil, gasoline, sulphuric acid, nitric acid, soda-ash, ammonium sulphate, ammonium nitrate, cement, electric motors, transformers, metal-cutting machine tools, double-bladed wheel ploughs, cotton yarn, cotton cloth, gunny bags, automobile tyres, rubber-soled shoes, paper, sugar, flour and cigarettes. This year's production targets for lead, alumina, ammonium nitrate, pig iron, rolled steel, zinc, tin, aluminium ingots, metal-cutting machine tools, internal-combustion engines, passenger coaches, railway wagons and double-bladed wheel ploughs and a number of other products were overfulfilled or almost fulfilled by the end of November. China's open-hearth furnaces turned out an average increase of one ton of steel per square metre of hearth area more this year than in 1952. This year the blast furnaces reduced the available furnace volume required to produce one ton of pig iron by an average of 0.1 cubic metre compared with 1952. Economic and technical indices for the production of pig iron and steel are almost at the 1952 level of the Soviet Union. Similar technical achievements were registered in the mining and dressing of non-ferrous metal ores, the production of cement, glass, sulphuric acid and caustic soda. Plans for the technical development of heavy industry enterprises for the next two years include the trial production of new high-grade carbon, silicon and low alloy structural steels by open-hearth furnaces, and high-grade heat-resistant, stainless and other new alloy steels by electric furnaces. Trial production of various new rolled steels using high-grade carbon and alloy steels will also begin. These products are required for the manufacture of motor cars, tractors, locomotives, ships, and machine tools. Among new chemical products to be produced are high-grade paints, plastics, dyes, chemical fertiliser and insecticides. Before the end of the current five-year plan, pilot factories will be built for the research institutes of iron and steel, non-ferrous metals, chemicals and building materials.

Blast furnaces in Anshan fulfilled the state 1955 production target for pig iron 20 days ahead of schedule. The Anshan Iron and Steel Company fulfilled its targets for 1955 on December 7th. Compared with last year, the total value of production increased by 22.86 per cent and labour productivity by 19.19 per cent. Anshan's Heaving Rolling Mill turned out 62 per cent more this year than in the whole of last year. The city's Seamless Tubing Mill turned out

55 per cent more. These two plants, completed in the winter of 1953, are making various types of structural parts and seamless tubes never produced in China before.

Output of animal-drawn double and single-bladed wheel ploughs, disc and toothed harrows and sowers in 1956 will be three to four times this year's production. The number of animal-drawn ploughs for use on hill-side farm land and paddy fields, rice threshers, sweet potato slicing machines and other farm tools will go up from five to 11-fold next year. Other farm tools and machines to be produced next year include five-bladed ploughs and grain huskers.

Plans for the building of a Lhasa motor car repair plant were completed recently; construction will begin next spring. A modern flour mill with a daily capacity of 10,000 sacks of flour is being built in Lanchow. The mill will start production next year. A new sugar refinery equipped with Polish machinery and built with the assistance of Polish experts, recently started production in Kiamusze, Heilungkiang. The refinery can handle 12,000 tons of sugar beet daily. Heilungkiang is China's leading sugar beet growing province. It now has five sugar refineries in operation and another one is under construction. The province is expected to produce 50 per cent more sugar this year than last. In Inner Mongolia near Paotow, a new beet sugar refinery, built with the help of the German Democratic Republic started production early this month.

State-owned coal-mines exceeded November targets by 1.94 per cent. Total output was 22 per cent higher than for the same month last year. Next year, fifty coal pits will be sunk, reconstructed or restored in China. Twenty new and thirty reconstructed and restored coal pits will go into production in 1956. Their combined production capacity will account for almost 30 per cent of the total output of state-owned coal mines in 1952. China turned out more than 63 million tons of coal in 1952. The volume of construction in the coal industry will be 13 per cent higher next year than this. Some 85 per cent of next year's investments in the coal industry will be spent on capital construction. Meanwhile, rich coal deposits have been found in more than 10 new coal-fields in various parts of the country. Eighty per cent of the newly-discovered coal deposits are coking coal and are near the country's iron and steel bases. In Inner Mongolia, prospecting recently completed on three new coal-fields which have very rich reserves of coking coal. In Northwest and Southwest China, where present coal production is small, big deposits in six newly-discovered coal-fields were found. Coal deposits warranting the expansion of the Fushun Coal-field to twice its present production capacity have been located in Fushun. In North China, deposits have been found on the perimeter of the presently mined Tatung Coal-field. Reserves of coking and steam coal have been located in the Tunghwan Coal-field in Shensi and the Luan Coal-field in Shansi.

Harvest and Land Reclamation

This year's harvests of food crops and cotton are the highest in China's history. Interim figures announced by Peking showed that gross output of food crops this year amounted to 181,950,000 tons, or 12.4 million tons more than last year and 18 million tons more than 1952. Output of ginned cotton reached over 1.4 million tons, or 360,000 tons above last year and 120,000 tons above 1952. Food crops exceeded the year's targets by 0.8 per cent and cotton exceeded the target by 9 per cent. The output of tea and silk also surpassed production targets for the year. The harvest of jute and amary hemp was nearly 80 per cent greater than last year.

Since 1953, 410,000 hectares of waste and virgin land have been reclaimed in Heilungkiang. Between 1956 and

1962, 4 million hectares more of waste land will be reclaimed. The work will be carried out mainly by state farms, mechanised land reclamation teams and cooperative farms. The province now has 32 state mechanised farms. Eight tractor stations with 90 reclamation teams are being set up. Heilungkiang is China's biggest soya-bean supplier. Other crops include wheat, barley, maize and rice. There are now 126 tractor stations throughout China. 164 new tractor stations will be set up during the next 2 years. Most of these new stations will be set up in major cotton-producing areas and will plough over 760,000 hectares of cotton fields. In 1957, many cotton-producing areas will be mechanised. In all, China will have 290 tractor stations in 1957 with over 8,400 tractors to plough 1,200,000 hectares of land.

Hydroelectric Projects and Water Conservancy

China's available water power reserves are now estimated at some 300 million kilowatts according to the Assistant Minister of Electric Power Industry. This latest estimate is based on surveys of 1,598 larger rivers in China, which drain 70 per cent of the country's territory. Almost all industrial centres and areas with a big population are located within easy reach of possible future centres of hydro-power transmission. The multiple-purpose water conservancy projects to be built at the Sanmen and Liukia gorges will generate two million kilowatts of electricity for nearby industrial cities, including Taiyuan, Sian, Chengchow and Lanchow. The three famous gorges in the Yangtze River's middle reaches are located in the heart of many industrial cities. The geological structure and geographic location of the numerous rivers are also favourable. Their numerous narrow gorges, torrential flow and steep gradients offer excellent dam sites for hydroelectric projects. These conditions ensure that such projects can be built at comparatively low cost. The expansion of a reservoir north of Urumchi was completed recently by the Communist Army stationed there. The area irrigated by the reservoir has been extended from 400 hectares to 17,300 hectares. This reservoir is one of the 16 water conservancy projects being built by the Army in Sinkiang this year.

Railways

A total of 1,040 kilometres of track on 14 new railways was laid between January and November. This exceeds the year's original track-laying target and is 86 per cent of the revised target. The 2,800-kilometre Lanchow-Sinkiang Railway has reached a point 600 kilometres from Lanchow. Track-laying will soon begin on the northern section of the 1,100 kilometre Paotow-Lanchow Railway. Work on more than 80 kilometres of the southern section is being carried out. Over half of the work on a Yellow River Railway Bridge on this line has been completed. Track-laying along Paoki-Chengtou Rail Line is scheduled for completion next year. Originally it was intended to be finished in 1957. Track-laying has reached a point 450 kilometres north of Chengtu. Total length of the railway will be 680 kilometres. Electric trains will serve between Fenghsien and Paoki. This section is 1,400 metres above sea level. Several possible railway routes from Urumchi to the Sino-Soviet border have been chosen after two months of surveying. The Lanchow-Urumchi-Alma Ata Railway will be built in accordance with an agreement signed by China and Russia last year.

Street and Building Construction

Macadamised streets are being built in Lhasa. All road foundation work is expected to be completed by mid-January.

PRODUCTION OF NORTH BORNEO

LAND UTILISATION AND OWNERSHIP

The area of the Colony is 29,388 square miles, of which the greater part is covered with largely primeval forest, unpopulated and without communications other than jungle tracks and rivers negotiated with difficulty. The greater part of the population is settled in the areas represented by the Residences of the West Coast and Labuan and Interior. The East Coast, apart from the centres of Sandakan, Tawau, Lahad Datu, Semporna and its islands, and the riverine villages of the Labuk and Kinabatangan, is largely uninhabited.

Increasing concern is being felt over the large areas of alienated but uncultivated land, which are a legacy of the former Chartered Company's policy to encourage the entry of capital by granting large concessions without the safeguard of adequate cultivation clauses.

All unalienated land is the property of the Crown. Forest reserves at present constitute approximately 727

Road surfacing will begin in March. A new indoor stadium was recently completed in Urumchi. The stadium is steam-heated and is the first ever built in this region. Peking recently boasted that over 1,000 million yuan (150 million pounds sterling) had been saved this year through economies in building construction. The funds thus saved were invested in the construction of a number of additional industrial and mining enterprises. Over 2,500 million yuan (370 million pounds sterling) will be economised by the various ministries of the Central People's Government between this year and 1957. The reduction in cost results from omitting superfluous and luxury decorations and using more local building materials.

Films of 1955

This year the two chief film studios in Shanghai and Changchun are turning out seventeen full-length feature films, plus two musicals. Among the productions is China's first historical film, "Sung Ching-shih." The hero was the famous leader of a peasant uprising in Shantung against the Manchus in the eighteen-sixties. It took nearly two years to make. "Hasen and Kamilla," released last August, is a film about one of China's national minorities, the Kazakhs. The dialogue is in Kazakh, and it incorporates much Kazakh music and many dances. It is a tale of a young couple's fight for the right to love and be free. Other pictures about national minorities are "Two Mysterious Travellers," about the Yis, and "Dawn over the Meng," about the Tibetans. Peasant life has always been a popular theme on the Chinese screen. One such film, "The White-Haired Girl," has become something of a classic. "Spring on the Huai" is a story of the lands bordering the Huai; it deals with the growth of agricultural co-operation and the snags, difficulties and conflicts the peasants run into in the course of their forward march. Another film, "Summer's Tale," is a picture about young intellectuals going in for farming. Both the leading parts and a number of the supporting roles are taken by young people fresh from the cinema school. Another, "Orange Growers," deals with life on the orange plantations of Fukien. Another film still under production is "The Stage-craft of Mei Lan-fang." Produced in colour, it falls into two parts—the life of the famous artist, and excerpts from his repertoire such as the Tale of the White Snake and the Drunken Beauty.

square miles, but will in due course be increased to approximately 3,000 square miles when the extensive timber concession areas on the East Coast are included. Native reserves amount to 45,000 acres, and reserves for other purposes, 11,000 acres. Concessions for oil and certain mineral rights cover the island of Labuan and 1,000 square miles of the mainland.

Shifting cultivation remains a serious problem and is particularly harmful when practised in virgin high forest. The extent of the destruction is not easy to assess, but in the northeast of the Colony aerial photographs and ground inspections have shown that within the last few years appreciable areas of valuable timber have been burnt and further damage is being caused elsewhere. There is no simple solution. The felling of virgin forest, as opposed to secondary growth, is against the law, but offences are difficult to locate and the effect of prosecutions is in any case doubtful. In the long run the solution is to induce the hill-folk to adopt a more settled form of agriculture in the lowlands where they will have readier access to medical, educational and other social services, but the process must be gradual; and the present policy is to ensure as far as possible the success of modest schemes for resettlement rather than to risk failure by attempting ambitious schemes at the outset. A pilot scheme to settle 100 families, who had previously practised shifting cultivation in the hills, on the level and more fertile plain at Bingkor in the Keningau District was started in 1953 and has proved most successful. With the assistance of Colonial Development and Welfare funds over 100 families have been settled and 369 acres of land had been brought under cultivation with wet-padi by December, 1954. A similar scheme has been started at Paginatan in the Ranau District. From the Labuk area north of Sandakan, selected headmen have been sent to the Kota Belud District to learn the art of wet-padi and dry-padi (Kendinga) cultivation with the aim of instructing their people in more advanced methods of agriculture than the shifting cultivation practised at present. Both the above schemes are also financed by grants from Colonial Development and Welfare funds.

There has been steady progress in settlement schemes in a number of other districts, particularly in the Ulu Kimanis area of the Papar district, where Dusun and Chinese settlements have been made. Another Chinese settlement is at Entabuan in the Tenom district. In these two settlements alone 240 lots averaging from 12 to 15 acres in area have been taken up by Chinese families. A third settlement for Chinese is at Ansip in the Keningau district, where 80 lots, which have been applied for, are now being surveyed. Ample land is available for agricultural expansion but lack of communications has been a limiting factor. This is being remedied by the construction of earth-roads or "jeepable tracks" which are being built under the supervision of the District Officers to open up likely areas.

Proper land utilisation cannot be planned in the absence of topographical, geological and soil maps. Considerable progress has been made in the preparation of standard cadastral sheets, in which some topographical information is also recorded, each for an area of 1,000 acres. This work has been concentrated on the West Coast, on areas already cultivated and adjacent lands. New areas are surveyed in consultation with District Teams. Geological reconnaissance of the Colony is sufficiently advanced for a preliminary assessment of the mineral possibilities to be made, and it is anti-

icipated that a photo-geological reconnaissance will be completed in the near future by the Directorate of Colonial Geological Surveys. Good progress in the preparation of soil maps has also been made by the two soil scientists who are being paid for from Colonial Development and Welfare funds.

A soil scientist, working on the East Coast, carried out two major surveys covering 206 square miles to determine and map the extent of the rich basalt soils of Tawau and the Mostyn region of the Semporna Peninsula, and much valuable data has been obtained. A temporary laboratory was established at Sandakan and work was begun on the analysis of soil samples collected during the year. On the West Coast and in the Interior 2,100 acres of swamp land in the Menggatal-Inanam area and 3,000 acres on the Keningau plain were mapped and described with a view to examining their potentialities for padi growing. In addition a soil reconnaissance of several thousand acres in the Ulu Kimanis-Bongawan area in the Papar district of the West Coast was undertaken to ascertain the potentialities of the land for settlement.

Land Ownership

The present Land Laws of the Colony of North Borneo are contained in the North Borneo Land Ordinance, 1930, which since February, 1953, has also been applied to the Island of Labuan. There are two forms of tenure in the Colony: ordinary leasehold available to anybody and title by entry in the Register of Native Titles confined to natives.

Title by entry in the Register of Native Titles confers upon the registered owner a permanent, heritable and transferable right of use and occupancy in his land, subject only to the general provisions of the Land Ordinance, 1930, and to the duty of preparing his padi fields and of participation in the performance of works of common benefit. Dealings in land held under Native Title as between natives and non-natives are prohibited. Land held by entry in the Register of Native Title may, however, be sold to a non-native with the prior consent of the Resident.

A native is defined by law as either:—

(a) a person both of whose parents are or were members of a people indigenous to the Colony; or (b) a person ordinarily resident in the Colony and being and living as a native community—(i) one at least of whose parents or ancestors is or was a native within the meaning of (a); or (ii) one at least of whose parents or ancestors is or was a member of a people indigenous to—(1) the State of Brunei; or (2) the Colony of Sarawak; or (3) the territories of the Federation of Malaya, the Colony of Singapore or the former Straits Settlements; or (4) the territories of the Indonesian Archipelago including that part of the Island of Borneo not comprised in the Colony, the State of Brunei and the Colony of Sarawak; or (5) the Sulu group of the Philippine Islands.

The area held under Native Title excluding native reserves is approximately 134,860 acres. Generally speaking, the land occupied by natives is rice land, or land carrying fruit trees interspersed with secondary undergrowth, bamboo, sago, coconuts or rubber, or land bearing coarse grass, or any combination of these. Natives living in the hills and practising shifting cultivation do not hold titles to the land they occupy and cultivate.

The Land Ordinance, 1930, has provisions for the settlement of native customary rights to land, but, in fact, all littoral districts in the Colony have long been settled.

Excluding town areas, non-indigenous inhabitants occupy approximately 547,567 acres. Of this area 281,700 acres are European-owned, and the balance of 265,867 acres is occupied by Asians, the majority of whom are persons of Chinese descent. The European-owned land is generally

used for such large-scale commercial crops as rubber, tobacco and Manila hemp, but a large proportion of the total area remains unplanted. The land occupied by Asians is generally used for rubber, coconut, rice or vegetable gardens.

No leases for Town or Country Lands are now granted for more than 99 years. Rent on land held under Native Title is 50 cents per acre per annum. Rent on Country Leases is one dollar per acre per annum for the first six years, four dollars per acre per annum for the next four years and six dollars per acre per annum thereafter. In the case of lands expressly alienated for wet rice cultivation, rebates are so arranged that, provided the land is planted, the rent per acre payable by the owner of the land is reduced to 50 cents.

DRAINAGE AND IRRIGATION

Steady progress was made on the Colonial Development and Welfare Corporation Scheme, which was begun in 1952, to bring drainage and irrigation to the rich rice-growing area of some 6,000 acres around Papar. Drainage works were completed while the irrigation works together with the pump houses and quarters for the attendants were so well advanced that it will be possible to provide irrigation during 1955.

In the Klias Peninsula, the reclaiming of 2,500 acres, which forms the first part of a Colonial Development and Welfare Scheme to reclaim a total of 12,500 acres, was successfully completed. The demand for land in the reclaimed area has, however, been disappointing, and at the end of the year only 261 lots had been taken up out of a total of 453 available. The lack of interest shown by many former applicants is thought to be related to the heavy work entailed in clearing the primary jungle which covers much of the area. Because of the poor response, the reclamation of the remaining 10,000 acres (the second part of the scheme) has been given a low priority, and during the year work was limited to the formation of 1½ miles of the main bund.

In the Tuaran District, a scheme financed from Colonial Development and Welfare funds for the reclamation of 1,900 acres of rice land and the irrigation of 4,750 acres, at an estimated capital cost of \$650,000, made steady progress. Half a mile of reclamation bund has been completed and contracts have been placed for the construction of two pump houses and the supply of pumping equipment.

The Likas Swamp of some 850 acres in the Town Board area of Jesselton, which suffered re-inundation during the war due to collapse of the sluice gates, was reclaimed during the year by the rebuilding of the bund and the construction of two new tidal gates. These have been built to carry a future realignment of the main road from Jesselton to the north.

AGRICULTURE

There has been continuing interest in improved agricultural methods for crops of all kinds. For the second year in succession the harvest was a record, there was a further increase in the demand for high quality rubber-planting material, an enthusiastic response to schemes for agricultural resettlement and an increasing demand for good quality poultry and for prophylactic treatment of poultry against Ranikhet disease. There was also a heavy demand for material, principally fruit trees, from the Central Agricultural Station at Tuaran.

Rice

The 1953-54 padi crop proved to be a record with a total estimated yield of 50,220 tons of padi (equivalent to

31,136 tons of rice calculated on a milling return of 62%) compared with the previous season's yield of 30,188 tons of rice.

The yield of wet padi amounted to 42,288 tons from 45,100 acres compared with 38,697 tons from 44,420 acres in 1952-53 and that of dry padi to about 8,000 tons from approximately 32,000 acres.

The indications are that the 1954-55 crop will also be a heavy one. Damage from insect pests which threatened in a number of areas during September, October and November was averted by the concerted action of the farmers themselves under the direction of the assistant entomologist.

In June, 1954, controls which had existed since 1948 over the milling of local padi and over the movement of local padi and rice, were lifted. In the face of a free market in local padi and rice, the Government Padi Purchase Scheme, which had been initiated with the object of buying up surplus padi direct from the growers and of storing it as a food reserve, became liable to serious financial risk. Plans were therefore drawn up to be implemented in 1955, whereby the padi reserve could be held and turned over by millers and dealers and the Government Padi Purchase Scheme, with its guaranteed price for padi, was discontinued at the end of 1954. The grower can now sell his padi freely on the market, but it is doubtful whether the price will in future be as rewarding as the Government price in the period 1952-1954.

Rubber

The price of rubber rose steadily during the year and the average was £163 per ton as compared with £162 in 1953. 17,125 tons were exported compared with 19,093 tons in 1952 and 16,844 tons in 1953.

The total planted acreage is estimated to be about 120,400 acres, of which 63,850 acres comprise estates of over 100 acres. It is computed that less than 10% of the total is planted with high yielding material. As the greater proportion of all rubber trees in the Colony consists of seedling material planted more than 20 years ago, production in the absence of new planting or replanting may be expected to drop at an increasing rate as plantations become senescent.

The seriousness of the situation called for vigorous action, and in November on the advice of the Rubber Fund Board, a Rubber Industry Replanting Fund Ordinance was enacted, which provides for a cess on rubber exported from the Colony to be used to finance planting and replanting schemes. The Ordinance came into force on 1st January, 1955, and the Rubber Fund Board recommended the imposition of a cess of two cents as from 1st April, 1955. The burden of the cess is being offset by a reduction of at least two cents on the export duty under a modified export-duty formula.

The Rubber Fund Board was established by Ordinance in 1950 with three official and six unofficial members under the chairmanship of the Director of Agriculture. It is representative of all rubber interests, both large and small, in the Colony. By an amending Ordinance enacted during the year, provision was made for a still greater unofficial representation, and the Board became a body corporate. From the Fund's revenue, derived from a ¼-cent cess per lb. on all rubber exported, contributions are made to the Rubber Research Institute of Malaya, the Rubber Development Board, and the British Rubber Producers' Research Association. The Board also maintain on an expanding scale its own budwood nurseries and an isolated seed-garden for a supply of high yielding planting material to the local industry. 141,552 clonal stumps and 3,697 yards of budwood were supplied in 1954, as compared with 81,903 stumps and

857 yards of budwood in 1953. The demand continues to exceed production and is particularly high for 1955, in anticipation of the introduction of a planting and replanting scheme.

Coconuts and Copra

The area under coconuts in the Colony is approximately 45,600 acres. Exports during the year were 26,645.06 tons of copra (including re-exports), 18.32 tons of coconut oil and 900,700 nuts, of which the total value was \$13.9 million as against \$8.7 million in 1953. Prices for copra have proved disappointing and gradually declined from \$33.00 per picul in January to \$24.00 in December.

Tobacco

The Colony is noted for the high quality of the wrapper leaf tobacco grown by the Darvel Tobacco Co., Ltd., at their Estates on the rich alluvial flats of the Segama river near Lahad Datu on the East Coast. In 1954 the estate was free from floods, which have often caused serious damage, and some 450 acres were cropped. The production for 1954 is estimated at 280,000 lbs.

A crude sun-dried leaf is grown by native farmers in the high valleys of the Crocker range, in the Minokok country at the headwaters of the Kinabatangan and on the alluvial flats of Marudu Bay. The acreage in 1954 under native tobacco was estimated at 1,200 acres with a production of some 720,000 lbs. of prepared tobacco. Most of this went to local markets. Exports of tobacco (both estate and native grown) amounted to 311,326 lbs., valued at \$3,473,877, as compared with 142,879 lbs., valued at \$645,498 in 1953.

Manila Hemp (*Musa textilis*)

The cultivation of hemp is limited to the rich volcanic soils of the Semporna peninsula on the East Coast, where the Colonial Development Corporation own estates with a planted acreage of 3,748 acres. In addition there are 135 acres in two small Chinese and Dyak-owned estates.

During the year 1,876.14 tons of prepared fibre valued at \$1,768,906 were exported, compared with 1,162 tons valued at \$1,576,874 in 1953.

Virus disease continued to give cause for concern, but strict control and the early eradication of diseased plants ensured the maximum protection possible. In all 394 acres of hemp had to be destroyed. Towards the end of the year, a Plant Pathologist, whose services are being financed from a Colonial Development and Welfare Grant, took up an appointment to investigate the disease.

Cocoa

This crop is still under investigation. Unsuitable conditions, including waterlogging, at the Central Agricultural Station at Tuaran have resulted in the decline of the original Amelanado plantings, but in spite of this the trees have continued to bear well and adequate supplies of material from selected high yielding trees have been obtained for propagation. Some 2,000 seedling Amelanado plants and 1,000 Amelanado pods have been made available for trial by estates and smallholders under a wide variety of conditions. In addition budwood from a very high yielding Criollo tree at Tawau has been used for budding on Amelanado stocks as a source of future clonal material, and encouraging results have been obtained by the Colonial Development Corporation with some 2,000 Amelanado plants established on Table estate at Tawau.

An enterprising native farmer at Sindumin in the Interior who owns 300 bearing trees of Criollo cocoa has now established a further 8,000 seedling plants and, with the

assistance of the Department of Agriculture, is preparing trial samples of cured beans for commercial appraisalment.

Sago

The production of sago was again limited to local requirements and there is little prospect for the recovery of this industry.

Pepper

Persisting low prices have effectively stifled interest in pepper and though a small demand for planting material continues to be met by the Central Agricultural Station, there is no evidence of any serious extension of planting.

Existing plantations on the East Coast, few in number and of small acreage, produced a total of 6,100 lbs. of prepared berries valued at \$15,000, which were exported to the neighbouring Philippine Islands.

Other Crops

Maize, groundnuts, soya beans and coffee are produced in limited quantities for local consumption, except for soya beans which also have an export market. This crop is being grown on an increasing scale by Chinese in the Tenom valley, and in 1954, 1,980.5 tons valued at \$741,700 were exported. The production of maize, groundnuts and coffee for the year is estimated at 2,500 tons, 350 tons and 150 tons respectively. The coffee varieties favoured are Liberica and Robusta. Arabica coffee is already being successfully grown by villagers on the foothills of Kinabalu, and this should develop into a promising industry as soon as communications have been improved.

Agricultural Education

There is a wide scope for agricultural education in the Colony, but the immediate aim of establishing a farm school has not been realised, principally because of staffing difficulties. In the meantime use continues to be made of the medium of the Vernacular schools. With the co-operation of the Education Department, school gardens are encouraged and opportunities taken as they arise to give talks to pupils on agricultural subjects. School children and farmers are encouraged to visit experimental stations where modern methods of cultivation are demonstrated and explained. In 1954 such demonstrations included the use of tractors and farm machinery, the cultivation of pepper, compost making, fish pond construction, spraying with insecticides and budding fruit and rubber trees. In addition, courses of instruction for agricultural junior staff and others were conducted at the Central Experimental Station at Tuaran. During the year, also, at the suggestion and on the initiative of the Native Chief and the Government school master at Bundu Tuhan in the foothills of Kinabalu, a scheme was started under which numbers of young men are sent in rotation to the Central Agricultural Station for employment as apprentice labourers for periods of up to four months at a time. As a result new and improved methods of cultivation are already being applied by many farmers in the Bundu Tuhan area. The publication and distribution of pamphlets on special subjects, such as the raising and management of fresh water fish, the construction of fish ponds and the control of agricultural pests, have helped to meet the demand for information on these subjects; and Tamus (native open air markets) have been made the occasion for lectures, demonstrations and exhibitions.

Mechanisation

The records of costing over a period of several years have shown that while small horticultural tractors and rotary hoes are economical and can reduce the cost of cultivation

by 50%, this size of machine is unable to stand up to the strain of continuous work in the padi fields of North Borneo without frequent attention and replacement of parts. The Ferguson tractor, on the other hand, used in conjunction with a wide range of implements has proved itself well suited to local conditions. The small size of padi fields and the heavy outlay required for the purchase of a tractor and implements are likely to prove limiting factors in the immediate extension of mechanical cultivation, but with the advent of irrigation there is a likelihood that field layouts in the main padi areas can be modified to suit the requirements of mechanisation, and consideration is being given to the possibilities of organising tractor pools which will provide facilities to farmers for mechanised cultivation on contract terms.

ANIMAL HUSBANDRY

The Aims of the Veterinary Branch

The Veterinary Branch of the Department of Agriculture is concerned principally with the conservation and increase of livestock in the Colony, so that local agricultural requirements and the growing demand for fresh meat can be met, and at the same time an export trade in animals with neighbouring territories developed.

Livestock Population and Exports

Accurate figures are difficult to obtain, but there is every indication that the number of animals is steadily increasing in spite of greater exports. The estimated livestock population is:— Ponies 2,900; cattle 16,800; buffaloes 67,000; goats 17,300; pigs 67,000; poultry 2,200,000. The unrestricted export of pigs has been permitted since the middle of 1953, and at the end of 1953 a previous ban on exportation of cattle (including buffaloes) was lifted to the extent of allowing buffaloes of six years of age or over to be freely exported. The principal exports in 1954 were 2,780 pigs as compared with 857 in 1953, and 1,636 head of cattle, of which all but a few were buffaloes.

Pasture Improvement and Cattle Farms

The general standard of animal husbandry is low, and the situation is aggravated, especially in the heavily cultivated areas, by a lack of suitable grazing grounds in which buffaloes can be turned loose during the greater part of the year when the padi fields are not lying fallow. Pasture improvement and control of grazing trials are being carried out both at the 6,000-acre Sorob cattle farm at Kota Belud and at an 80-acre Government cattle station at Kentingau. Experimental grass plots have been established to test a number of imported varieties of grass, so far with inconclusive results, although Molasses grass appears to be the most promising. At Sorob the rotational grazing trials are being made in small subdivided paddocks and some electric fencing has been installed to facilitate control.

The Sorob cattle farm at Kota Belud is a Local Authority enterprise, and was started at the beginning of 1953 with the assistance of a Stock Development Officer as manager under a Colonial Development and Welfare Scheme. Originally, intake was confined to cattle, but in 1954 buffaloes were also accepted, and at the end of the year, the herds numbered 133 head of cattle and 116 buffaloes. Upon intake every precaution is taken to ensure that no disease is introduced into the farm, and subsequently the animals are rounded up at periodic intervals for inoculation, drenching and salting. This is not always easy in the case of the cattle owing to their wildness and the size of the main paddocks.

Disease

Surra, a disease which had for many years been endemic among ponies in North Borneo and is in most cases fatal, at last appears to have been brought under control. The disease is caused by a blood parasite indistinguishable from *Trypanosoma evansi*, the vector being a *Tabanid* fly. In 1954 not a single new case was notified, and this tends to confirm the correctness of the conclusion that relapses in old treated cases were the principal source of new infections and not cattle and buffaloes which had previously been regarded as potential and likely reservoirs of the disease. Despite the freedom from new infection, precautionary measures have not been relaxed. During the year all surviving old cases, of which an accurate record has been kept, were examined at monthly intervals and given prophylactic treatment. Racing ponies and ponies exported from the Colony were similarly examined. In addition, regular inspections at three-monthly intervals were made in the Ranau and Kudat districts. Altogether 9,221 blood smears were taken and 912 protective injections of antypol given. 388 blood samples from cattle and buffaloes were examined with negative results.

The Colony was again free from the major epizootic diseases of cattle. No cases of rinderpest, foot and mouth disease or contagious bovine pleuropneumonia were recorded. Tuberculosis in cattle was also absent.

The principal cause of loss of condition in most forms of livestock in North Borneo is infestation by worms. The use by stock owners of proprietary anthelmintics has, however, become increasingly popular. Ticks are prevalent among ponies and cattle, but good results are being achieved by the use of a proprietary brand of Hexachlorobenzene and supplies of this, together with sprayers, are maintained at all cattle centres.

One of the most successful aspects of veterinary work has been in connection with the free prophylactic treatment of Ranikhet disease in poultry. This disease had annually since 1920 taken a huge toll throughout the Colony, and poultry owners had come to regard it as an inevitable visitation against which there was no safeguard. This passive attitude has altered radically within the last three years. The prophylactic treatment of the disease with Ranikhet vaccine at first regarded with suspicion and later with doubting interest has now been accepted with enthusiasm. In 1951 31,000 birds were treated, in 1952 90,000, in 1953 168,000 and in 1954 360,500, belonging to over 15,600 owners.

Another service offered to poultry owners has been caponisation by means of stilboestrol injections. Individual owners are now adopting this method in favour of the surgical operation hitherto conducted by Chinese specialists.

Research

Towards the end of the year a new laboratory with modern equipment and ancillary buildings, such as kennels and cattle stalls, was completed at Jesselton.

FORESTS

The Forest Estate

The total area of declared Forest Reserves was 727 square miles, which is less than 3% of the area of the Colony. To this figure must be added the timber concession areas being worked on a sustained yield basis. It has been accepted that these will be constituted reserves as soon as possible, and boundary descriptions of the main concession blocks have been prepared. It can thus be claimed that 3,000 square miles, representing 10% of the Colony, are already

earmarked as forest reserve. Proposals for further reserves include the greater part of the residual high forest on the West Coast. Information on the extent of the different types of forest has been obtained from a scrutiny of air photographs taken in recent years, and the following particulars can be regarded as giving a reasonably accurate picture:—

	Area	Proportion of whole Colony
(1) Inland dipterocarp forest with commercial possibilities	7,876 square miles	26.8 per cent
(2) As above but topography too rough for commercial working under present conditions	8,218 square miles	28.1 per cent
(3) Dipterocarp forest of doubtful immediate value because of selective logging in the past or for other reasons	1,145 square miles	7.3 per cent
(4) Poor virgin forest, mainly montane	1,499 square miles	5.1 per cent
(5) Belukar, poorly stocked swamp forests, etc.	2,616 square miles	8.9 per cent
(6) Fresh water swamp with commercial possibilities	235 square miles	0.8 per cent
Total Inland Forest	22,589 square miles	77.0 per cent
(7) Mangrove forest	1,058 square miles	3.6 per cent

The Forest policy of the Colony follows the principles laid down at the Commonwealth and other Forest Conferences. It is to constitute as permanent forest reserve all land, the best use of which is the production of timber, having regard to a balanced economy of all the Colony's resources, and to manage it on a sustained yield basis relying on natural regeneration assisted by silviculture.

Conservation and Improvement of Forest Land

The problem of shifting cultivation has already been mentioned. 11,377 acres of forest received silvicultural treatment in the form of regeneration improvement fellings compared with totals of 5,215 acres in 1952, and 11,066 acres in 1953. The work consists of encouraging the young natural growth of desirable species by cutting climbers and by poison-girdling (with sodium arsenite) non-commercial species shading or competing with them. The forest so treated should reach maturity more rapidly and yield a considerably increased tonnage per acre than the original forest. In the research block at Sibuga Forest Reserve near Sandakan, regeneration under varying treatments and at different stages of development is being studied under a Colonial Development and Welfare Scheme, and the arboretum and experimental plantations there were extended.

Utilisation

The principal companies operating in the Colony are the British Borneo Timber Co., Ltd., the North Borneo Timbers, Ltd., the Bombay Burmah Trading Corporation, Ltd., and Kennedy Bay Timber Co., Ltd., all of whom were granted 21-year concessions in 1952. The Standard Agreement entered into with each of these companies, except the British Borneo Timber Co., Ltd., provides for an estimated felling cycle of 80 years. The concession areas vary from approximately 300—550 square miles. In the case of the British

Borneo Timber Co., the concession area is 1,000 square miles, and under their agreement a more rapid rate of exploitation is involved. Other licences are issued for one year at a time only, but except when the operations are of a minor nature, sufficient areas have been set aside to ensure that there can be continuity of working for from 15 to 20 years.

The emphasis in 1954 was again on mechanisation, and further supplies of logging trucks, tractors, road graders and other machinery were imported. One company, however, partially returned to hand-logging methods during the year, but continued to use its tractors for haulage over difficult terrain and for the construction of extraction routes. Tournaskidders used by another large company for hauling on original dragging tracks proved unsatisfactory in wet conditions, but are expected to serve a useful purpose drawing logs on metalled roads. A Wyssen crane tried out by the Bakau and Kenya Extract Co., was found to be unsuitable for moving bark in mangrove forests and was dismantled and sold.

Fifty-six sawmills were in operation during the year and four others were either completed or in the course of construction. With few exceptions, the units are small and inefficient. The British Borneo Timber Co., Limited's new bandmill at Sandakan was formally opened by the Governor in May, 1954. The Bombay Burmah Trading Corporation Limited proceeded with the construction of their power house and sawmill at Wallace Bay near Tawau, and it is hoped that the mill will be operating in 1955. Kennedy Bay Timber Co., Ltd., began the installation of a small sawmill on the Pangaruan River and also started work on a causeway to Bakapit Island (adjacent to their mainland concession) and on the formation there of an industrial site with wharf facilities. On this site they plan to install a green and sheet rotary veneer plant and also a slicing machine for sliced veneers. Details of the sawmills are as follows:—

Annual Production cubic feet (Hoppus measure)				
Ownership	No. of Mills	Input (logs)	Output sawn	Recovery per cent
Chinese	46	1,394,124	819,764	59
European	9	2,642,927	1,255,917	48
Native	2	60,145	38,531	64
Total	57	4,097,196	2,114,212	57

Production

All the important timbers of the country are, with two exceptions, members of one family—the Dipterocarpaceae. Of these, the most abundant and commonly used both locally and for export are seraya (Shorea spp.), white seraya (Parashorea malaanonan); kapur (Dryobalanops spp.) and keruing (Dipterocarpus spp.). Belian (Eusideroxylon zwageri T. & B.) and merbau (Intsia spp.) are the two most important non-dipterocarp species, and with selangan batu (Shorea spp. and Hopea spp.) are the main sources of the durable hardwood timbers of North Borneo. Supplies of fuel (firewood and charcoal) are obtained from mangrove swamp forest in which bakau and bangkita (Rhizophora spp.), tengar (Ceriops sp.) and beus (Bruguiera sp.) are the most important constituents.

There was a marked increase in the production of timber in 1954 which increased by over 4½ million cubic feet. There was also an expansion of cutch in 1954, over 60 per cent. of which went to the United States' market. In response to reduced demand, the production of firewood declined heavily.

PRODUCTION OF FOREST PRODUCE

Commodity	1953	1954
Timber (total logs and sawn)	10,216,308	14,905,437 cu. ft.
Sawn (sawmill outturn true volume)	2,059,380	2,114,212 „ „
Firewood	2,144,249	1,323,915 pikuls
Charcoal	34,357	30,785 „
Cutch	5,038	5,560 tons
Birds' nests	307	294 pikuls

Trade

The demand for North Borneo timber was keen during 1954, though exports to the United Kingdom showed a substantial decline. Japan, however, more than tripled her 1953 imports of timber from the Colony and the market in Hongkong and Australia also expanded.

There was further considerable decline in firewood exports to Hongkong and a considerable reduction in charcoal exports. Export of birds' nests also showed some falling off as compared with 1953. There was, however, a welcome expansion in the export of cutch, particularly to Dollar markets and the exports of damar also increased.

EXPORTS OF TIMBER (LOGS) FROM NORTH BORNEO
COMPARATIVE QUANTITIES AND VALUES
BY DESTINATIONS

Destination	1953		1954	
	Quantity*	Value \$	Quantity*	Value \$
Australia	923,150	1,828,692	1,712,416	3,374,741
Holland	63,438	210,793	19,518	73,610
Hongkong	1,185,291	1,453,327	2,507,749	2,383,610
Japan	1,357,780	2,641,782	4,359,997	6,532,220
South Africa	202,603	414,528	421,865	794,446
United Kingdom	823,923	3,125,086	470,612	1,277,446
U.S.A.	51,377	89,436	222,773	509,012
Others **	48,651	79,353	120,681	173,809
Grand Total	4,656,213	9,842,997	9,835,611	15,118,796
Average Price per Cubic Foot		\$2.11		\$1.54

EXPORTS OF TIMBER (SAWN) FROM NORTH BORNEO
COMPARATIVE QUANTITIES AND VALUES
BY DESTINATIONS

Destination	1953		1954	
	Quantity*	Value \$	Quantity*	Value \$
Australia	2,548	3,057	14,077	54,629
Holland	3,707	26,856	8,798	36,183
Hongkong	165,563	267,979	383,028	647,023
Japan	90	180	—	—
South Africa	85,624	352,246	91,990	345,338
United Kingdom	223,073	1,583,720	178,155	1,222,636
U.S.A.	—	—	11,476	44,432
Others **	39,913	120,546	83,870	226,837
Grand Total	520,518	2,354,584	771,394	2,577,078
Average Price per Cubic Foot		\$4.52		\$3.34

Note:—

* Quantity in cubic feet;
Logs, in Hoppus ¼ girth;
Sawn, as measured.
** Includes Brunei, Malaya, Egypt, Germany, Indonesia, Italy, Philippines, Singapore, Ship use, South Arabia and Taiwan.

EXPORTS OF TIMBER—LOGS AND SAWN—IN TERMS
OF SAWN TIMBER, 000S OF CUBIC FEET

1947	1,567
1948	2,860
1949	3,064
1950	3,265
1951	3,535
1952	2,741
1953	4,512
1954	9,202

Based on the formula—6/7 Vol. (Logs) actual Vol.
(Sawn).

EXPORTS OF FOREST PRODUCE

Commodity	1953		1954	
	Quantity	Value	Quantity	Value
		\$		\$
Timber—Logs	4,656,213†	9,842,997	9,835,611†	15,118,796
Timber—Sawn	520,518*	2,354,584	771,394*	2,577,078
Firewood (Pikuls)	903,958	1,049,391	411,869	524,661
Charcoal (Pikuls)	14,380	63,836	3,998	15,469
Cutch (Tons)	4,941	2,357,627	5,566	2,782,834
Damar (Tons)	829	277,568	1,213	330,785
Birds' Nests (Pikuls)	280	134,393	252	114,389
Other minor forest produce (Tons)	762	696,365	1,291	727,666

† Hoppus $\frac{1}{4}$ girth.

* as measured.

FISHERIES

Fish forms a staple food for many of the Colony's inhabitants, and the 1951 Census revealed that fishing is the principal occupation of 4,991 persons. During the year 5,494 fishing boats were licensed and licences were issued for 2,052 fishing traps, nets and lines. The increasing popularity of outboard engines continues. There is no deep-sea fishing in the accepted sense. The main sources of supply are the relatively shallow coastal waters, and on the East Coast, the estuaries of the greater rivers, particularly the Labuk and the Kinabatangan. At certain seasons of the year, large shoals of pelagic fish arrive in the waters off Sipitang in the Brunei Bay area, and are caught by hand line in great numbers. Branches of trees are sunk in suitable places as far as six miles from the coast. These provide shelter for the bait fish which are, in turn, followed by the pelagic fish, principally Bonito, Barracuda and Tenggiri. Of special interest on the East Coast are prawns, turtles and seed-pearl oysters. The prawn fisheries in the Labuk estuary are the most highly organised native fishing industry in the Colony. The number of nets is controlled, 404 nets having been licensed for fixed sites in 1953. Turtle fishing is practised under licence in the Darvel Bay area by the Cocos Island settlers. In the Labuk district, seed-pearl oysters are collected in shallow water. Women open the shells, cook the part containing the pearls, which are then separated by rinsing. The pearls are exported.

Fishing methods used are varied and numerous, and although they may appear crude to the Western eye, their simple ingenuity is peculiarly suited to the local conditions. In waters of wading depth the native fishermen use throwing nets and rotan basket-like traps. The long net (pukat) is used at low tide near river mouths and on beaches. In slightly deeper water, stake traps which may last several years, are constructed from local forest produce, although mesh wire is becoming increasingly sought after. In deeper water still, hook and line are used. Chinese fishermen rely

BURMA'S TRANSPORT AND COMMUNICATIONS

Fundamentally, Burma is ill-provided with land communications. The horseshoe of mountains surrounding the country makes rail and road communication uneconomical in comparison with sea and air communication. The rivers

entirely on drift nets operated in deep water from junks or sampans of various sizes.

The fishing industry is not, on the whole, well organized. As a general rule, it can be said that fishermen are independent where they fish for their own consumption, or for a limited market, but in the larger urban areas where there are big markets the industry is more often than not controlled and financed by the middlemen, who supply the boats and gear. Only at Tawau on the East Coast are there any adequately capitalised companies operating fleets of junks. Here fishing is carried out in relatively deep water, and the catches are salted or frozen and exported. At Tawau also exists the only plant producing ice for the industry.

Prices in the local markets vary considerably according to the demand, the nature of the fish and on whether the catch is sold direct by the fishermen or through fishmongers. Retail prices during the year by middlemen in the larger markets ranged from 40 cents a kati for third class fish to \$1.30 a kati for first class fish in the Jesselton market. A kati is the equivalent of 1-1/3 lbs.

The culture of fresh-water fish continued to be financed under a Colonial Development and Welfare Scheme administered by the Agricultural Department. Prior to 1948 there were only four fresh-water fish ponds in the Colony, and these were confined to the raising of carp. Between 1948 and 1952, eleven new ponds were established and by the end of 1954 the number had increased to 492. The majority of the ponds are situated in the Interior, where they are most needed, and many are to be found at considerable altitudes as in the case of Bundu Tuhan (3,700 feet) and Teboh (5,000 feet) in the foothills of Kinabalu. In size they vary greatly from ten square yards to as much as half an acre, but it is becoming increasingly appreciated that large ponds are needed if the fish are to reach maximum growth.

The initial expansion was not achieved without difficulty and considerable persuasion was required to overcome the fears and prejudices of those whom it was desired to help. Muslim farmers, for instance, were at first reluctant to co-operate on the grounds that their ponds might be contaminated by pigs, and the Dusuns of the Interior hesitated to construct ponds in suitable areas from fear of disturbing the evil spirits believed to dwell in swamps.

The species cultivated are Tilapia (*Tilapia mossambica*), Ikan Kului (*Osphronemus goramy*), Sepat Siap (*Trichogaster pectoralis*), Grass Carp (*Ctenopharyngodon idellus*), Big Head (*Aristichthys nobilis*) and Ikan Balian (*Labeobarbus tamba*), a local species which is being tried out at Tambunan. Of these Tilapia has proved especially satisfactory. It is hardy and prolific, and under good conditions will yield more than 2,000 lbs. an acre per annum. This species has also been used to stock rivers, swamps and old bomb craters with encouraging results. The transport of fry to distant areas has been greatly facilitated by the internal airways service which permits rapid transit with a minimum of loss. Over 4,618 fry were distributed free during the year.

— From the North Borneo Government Report for 1954

have always been the natural means of travel as the topography in many parts of the country renders land communication extremely difficult. Nevertheless, Burma's transport and communications system was considered quite adequate to meet the country's need in the pre-war period. Intensive damages suffered during World War II and the insurrections constitute formidable barriers to the expansion of Burma's economy.

Roads.—All roads out of Burma today are mere tracks, except for a motorable road from Kengtung in the Shan State leading southward to Tachilek on the Thai border and then further on to Chiengrai in Thailand.

The two principal roads connecting Lower and Upper Burma, the Rangoon-Prome-Myingyan (456 miles) and the Rangoon-Toungoo-Meiktila-Mandalay (433 miles), follow the lines of the Irrawaddy and Sittang Valleys, as do the railways, with both road and railway running alongside for many miles.

The Irrawaddy delta with its innumerable creeks and vast areas of water-logged land is not practicable for either roads or railways, except along the few stretches of high-lying ground. Consequently, roads in the delta are short and isolated and there is no real road system, while the railway from Rangoon to Bassein reaches its destination after describing an arc round the north of the delta, half-way to Prome.

The numerous rivers and difficult terrain of the Arakan and Tenasserim areas also make road or railway construction and operation uneconomic as compared with water transport along the coast. The Arakan area appears separated from Burma proper by the Arakan Yomas, over which are two difficult and unmotorable routes. The Taungup Pass (3,000 feet) is near Prome and the Ann Pass (4,000 feet) is located near Minbu and Yenangyaung.

The Dry Zone, around Mandalay, is not a difficult country and is comparatively well provided with roads and railways on the east of the Chindwin and Irrawaddy rivers. The Shan State is an open rolling country and there are numerous roads. Roads are few north of Mandalay towards Myitkyina, but it is possible to motor from Mandalay through Lashio and Bhamo to Myitkyina (493 miles).

Burma has a total of about 13,000 miles of road motorable by light motor transport, about 5,000 miles of road suitable for bullock-carts, about 8,000 miles of mule-tracks and about 50,000 miles of village tracks.

Railways.—Despite topographical barriers Burma has about 2,667 miles of railways, and before World War II possessed one of the best railway systems of its kind (metre gauge) in the world. The Burma Railways, with a trained staff of about 20,000 and total assets valued at K 438 millions, has a total of 367 locomotives, 1,138 passenger carriages and 10,658 goods vans, with an annual carrying capacity of over 12 million passengers and 1½ million tons of goods.

Major rail tracks in Burma include Rangoon-Toungoo-Mandalay 386 miles, Mandalay-Myitkyina 323 miles, Mandalay-Lashio 171 miles over the famous Gokteik Viaduct, Rangoon-Prome 161 miles, Pyinmana-Kyaukpadaung 139 miles, Mandalay-Monywa-Ye-U 134 miles, Pegu-Martaban (Moulmein) 122 miles, Letpadan-Henzada-Bassein 114 miles, Thazi-Myingyan-Paleik 70 and 69 miles respectively.

During World War II and the insurrections, railway installations and equipment suffered severe damage. Out of 51 bridges of 126 feet and over 28 were destroyed and out of 134 bridges of 100 to 120 feet 72 were destroyed. These damages were assessed at K 300 millions. Reconstruction and rehabilitation of the railways has gone apace with the rapid social and economic development of the country.

Most rail installations and equipment have been replaced, many new rail stations have been rebuilt, and except for four major bridges all other bridges have been permanently repaired. The four severely damaged bridges include the mile-long Ava Bridge, the 840 feet Myitnge Bridge, the Sittang Bridge and the Daga Bridge. Repairs to the famous Gokteik Viaduct, constructed by the Pennsylvania and Maryland Bridge and Construction Company in 1903, was completed on August 16, 1951. This bridge measures 2,260 feet in length and 320 feet in trestle height overlooking a deep gorge about 1,100 feet deep.

Under the 3-year-plan of the Pyidawtha Scheme, K 200 millions will be expended by 1955 to restore all rail lines, and obtain additional locomotives, passenger coaches and goods vans. Today, the rail system transports an annual ton-mileage of 20,000,000 and a passenger-mileage of 28,000,000, with gross annual earnings of K 34 millions.

Waterways.—The rivers and creeks of Burma remain traditionally the chief and natural means of travel in the country. The Inland Waterways Transport, together with the Burma Railways, Union of Burma Airways and Union of Burma Shipping Board, constitute nationalized institutions of transport and communications in Burma. The I.W.T. has an annual average ton-mileage of 128,000,000 transporting about 3,000,000 passengers yearly.

Shallow-draft steamer services are in operation between Rangoon-Prome-Mandalay (597 miles), Mandalay-Myitkyina (366 miles), and Rangoon-Bassein (194 miles) on the Irrawaddy River; Pakokku-Homalin-Mingin (455 miles) on the Chindwin River; and Moulmein-Pa-an-Kamamaung (74 miles) on the Salween River.

The present strength of the I.W.T. fleet is about 570 vessels of all kinds, of which 155 are powered craft, 233 for carrying cargo, 76 tugs, launches and maintenance vessels, and 106 hulk and landing barges. Of the 155 powered craft, 10 are paddle steamers varying in length from 185 to 200 feet, six are quarter-wheelers of 134 feet length, while the remainder are single and twin screw creek steamers of 155 feet length.

Prior to 1948, the inland water transport service was a monopoly of the Irrawaddy Flotilla Company. The service was nationalized on June 1, 1948 and the Company awarded compensation amounting to over K 4 millions for the assets taken over by the Government. Under a 3-year Pyidawtha Plan, K 2 millions will be expended by 1955 to rehabilitate inland water traffic, while a further 7-year programme outlines an extensive development of the entire waterways traffic system.

Airways.—One major post-independence development in the field of communications has been the establishment of the Union of Burma Airways, which provides not only air travel to about 40 airport towns in various parts of Burma, but also external flights to Bangkok, Singapore, Chittagong and Calcutta.

Equipped with 4-engine Marathons, Dakota C 47's and De Havilland Doves, the Union of Burma Airways has an average annual ton-mileage of 865,000 and 24,000,000 passenger mileage to meet the ever-increasing demand for air travel. Efficient handling of air traffic together with excellent ground aid and navigational facilities classes Burma as one of the most air accident-free countries in the world.

The modern Mingaladon Airport near Rangoon provides ample landing space for jet liners and is considered one of the best airfields between London and Tokyo. Most major international air systems promote flights through and to Rangoon. Other major airport towns in Burma include Mandalay, Moulmein, Bassein, Akyab, Tavoy, Mergui, Myitkyina, Bhamo, Falam, Magwe, Chauk, Heho (Taunggyi), Anisakan (Maymyo), Lashio, Monywa, Kalembo, Kengtung, and Singaling Khamti in the Chin Hills.

Coastal Shipping.—The Union of Burma Shipping Board was formed in 1952 to operate coastal steamer services to major ports along the 1,500-mile coastline of Burma, and also to provide sailing services between India and Burma. Coastal services between Rangoon-Andrew Bay-Kyaukpnyu-Akyab has been in operation since February 1953.

Increased shipping along the coastline and coastal steamer services to Moulmein, Tavoy and Mergui will be in operation with the inclusion of four more coastal ships by the board. With the expenditure of K 47 millions by 1955 under the Pyidawtha Plan, the Shipping Board will provide, not only coastal service, but also shipping to neighbouring countries.

Irrigation.—Due to the agricultural character of Burma, the irrigation system of the country commands considerable attention. Most of Burma's irrigation works are centered in the Dry Zone area around Kyaukse, south of Mandalay. This area is covered with a network of irrigation canals originally constructed by the Burmese before Alaungpaya and dating back to the 10th century.

There are about 12 major irrigation works in Burma providing irrigation for about 900,000 acres. These irrigation works are located near Mandalay, Shwebo, Kyaukse, Meiktila, Yamethin, Myingyan and Minbu. Of these, the largest and the most important are the Shwebo and Ye-U canals in the Shwebo area north of Mandalay, which provide irrigation for 215,000 and 112,000 acres respectively. The Mandalay canal is about 42 miles long and irrigates about 90,000 acres.

Under the Pyidawtha Scheme, about K 250 millions will be expended by 1955 for irrigation development in the country. Construction is progressing rapidly on the Yamethin District Irrigation Development, aimed at harnessing the upper waters of the Sittang River to provide irrigation and electric power. Dams across seven "chaungs", or creeks will ensure water supply to 600,000 acres and provide about 60,000 kilowatts of electric power.

Other projects include Taungpulu reservoir on the Thibon River north of Meiktila, construction of a weir across and canals from the Yezin River north-east of Pinyinmana, a power pump irrigation project in the delta, and hydro-electric projects at Siaingdin Falls, Loikaw and the Pegu River.

Embankments and Canals.—The main embankments shutting out the spill from the Irrawaddy River when in flood lie within Henzada, Bassein and Maubin Districts. These embankments with a total length of 500 miles protect a total area of about 1,500,000 acres. The largest is the Henzada embankment, which extends to about 200 miles in length and protects about 750,000 acres.

There are two navigation canals, the Twante Canal and the Pegu-Sittang Canal, which are 22 and 38 miles long respectively.

Telecommunications.—Destruction of land lines during World War II and the insurrections has necessitated large-scale reconstruction and rehabilitation of the telecommunications system. Telegraphic services to major towns in Burma have been restored and various trunk telephone and

AGRICULTURAL DEVELOPMENTS IN HONGKONG AND FUTURE PROSPECTS

An extract report of the Director of Agriculture, Fisheries and Forestry (W. J. Blackie)

Part II

FARMS AND FARMING

Systematic farm surveys have not been carried out in Hongkong. What is urgently required are records and statistical information based on systematic field studies of rural conditions in the New Territories. The land utilization map prepared by Dr. Tregear of Hongkong University gives a general picture on a scale of 1 in 80,000 of the Colony as a whole. The map depicts built up areas, badly eroded areas, farm lands, woodlands, grasslands and swamp lands. The land utilization survey of the farming areas conducted by a team from the Department gives an accurate quantitative picture of land-use for cropping. The picture presented in this survey is also generalized. Detail regarding individual holdings and the economic status of such holdings is not available for the Colony as a whole. The following information on farms and farming is based on limited ob-

servations over the past fifteen months. A different picture may emerge from systematic field studies.

Most of the arable areas are planted up to rice on small holdings which average about 2 acres. There are very few owner-farmers in the New Territories. Land is rented for yearly periods and rent is charged in the form of a stipulated measure of paddy usually representing between 40%-60% of the rice yield. Tenant farming is as high as 80% in some areas. Most farmers grow two crops of rice on irrigated land and if they are close to vegetable collecting centres, or if access to such centres is reasonable they raise vegetables and sweet potatoes on a portion of the fallow following the second rice crop. The greater use of fallow land for catch cropping is dependent on water supply and the maintenance of fertility by the use of fertilizers. Farmers who concentrate on vegetable production have small areas which seldom exceed 1 acre. By intensive cultivation, the use of nightsoil, organic fertilizers and artificial fertilizers, production is maintained at a satisfactory level. Not all farmers possess working animals; many of them have their land prepared by hiring buffalo or the small brown cattle of Chinese origin, or get it done by contract. Ploughs, harrows and hand tools are of local origin and give efficient service. Human labour (as elsewhere where holdings are small and labour is in plentiful supply) is engaged on all forms of farm work including digging, harrowing, seeding, transplanting, spraying, watering and weeding. Most of the work on the small vegetable patches is performed by hand tools and human labour. Both vegetable and rice farmers raise a few chickens and pigs and in some places the raising of ducks is increasing, particularly in the brackish water paddy areas. Although pigs and poultry are now being raised in greater numbers by farmers specializing in this business, much more could be done on the small rice and vegetable holdings. Small areas have been planted up to export crops such as water chestnut and ginger. Some farmers also raise mushrooms. Fresh-water fish are being raised in ponds by some farmers. The general picture is one of clean intensive cultivation of rice and vegetables as the basic crops with every opportunity taken to cash in on other ventures if demand and market for the previous season appeared good. Although tea is not cultivated villagers collect tea from 4 mountains in the New Territories and after sun-drying use it as a beverage in the green form. Other herbs and shrubs are collected for medical reasons.

telegraphic land lines in the country have been replaced. Meanwhile, wireless transmitting sets have been installed in all districts to ensure a complete internal communications system.

Under the Pyidawtha plan for improvement of telecommunications, sums of K 14 millions for installation of wireless telegraph service, K 4,000,000 for a Rangoon-Mandalay high-frequency telephone link, K 3 millions for a Rangoon-Madras radio-telephone, and K 30 millions for installation of an automatic telephone system in Rangoon to replace the exchange system, will be expended by 1955.

An annual average revenue of K 97 millions is realized from the state transport and communications system, including the railways, water transport, air traffic, shipping, and post and telecommunications. This sum constitutes about 26 per cent of the net national income of the country. There are about 390 post offices operating in Burma, and a sum of K 5 millions will be expended by 1955 for further development of the postal service.

Press and Radio.—The Voice of Burma is laid out on lines similar to the British Broadcasting Corporation and constitutes the sole broadcasting station in Burma. It is controlled by the Ministry of Information and in an 8-hour daily schedule presents programmes in Burmese, Shan, Karen, Kachin and English.

On February 12, 1954, Premier U Nu laid the foundation stone for the construction of a powerful up-to-date broadcasting station on Prome Road in Rangoon, which is expected to be completed in one and a half year's time.

The institution of the press in Burma is highly advanced and enjoys fully the freedom guaranteed in the Constitution of the Union of Burma. Most of the newspapers are concentrated in the capital city of Rangoon. There are 4 English-language and 12 Burmese-language dailies in Rangoon, while Mandalay has 4 Burmese-language dailies. The average circulation of newspapers in Burma is about 6,000, with the most popular Burmese language daily approaching a circulation figure of 20,000.

FARMING TECHNIQUES

The primitive farm plough and harrows give excellent service and there is little point in adopting costly western tractors and implements for fields the size of tennis courts. Experimental work should be undertaken, however, on the use of certain mechanical equipment such as the rotary hoe and small track type tractors such as the M.G. 6 which may be of service. On the whole, however, working animals and local farm implements are satisfactory. The important need is for every farmer to possess his own working stock

or be able to obtain such service at a reasonable cost. Artificial fertilizers are used when they can be afforded and their use is growing. On the whole, however, the Chinese farmers rely on traditional fertilizers such as nightsoil, bone meal, ashes, duck feathers, meal cakes and dried pulverised animal manure. Where every square yard of agricultural land must be intensively cultivated the maintenance of fertility on naturally poor soils is dependent on the use of compost, nightsoil, organic fertilizers and a greater use of artificial fertilizers. Animal husbandry was not of a high order prior to the establishment of the animal husbandry section of the Department of Agriculture, Fisheries & Forestry. Since then important changes have taken place in the breeding and management of stock. The department has been aided in this work through its close technical association with Kadoorie Agricultural Aid. Better housing for pigs and poultry and better stock for breeding and slaughter are the most noticeable improvements.

FARM ECONOMICS

As mentioned previously, reliable data is lacking on farm costs and returns but it is possible on existing information to give an indication of the cost of farming 1 acre of land in the New Territories, assuming that 1 dau chung is used for raising vegetables, 4 dau chung for paddy and 1 dau chung for the farm steadings and outbuildings (6 dau chung average 1 acre). Returns are based on average market prices for the produce concerned. Crop yields are recorded as average figures; in many localities much higher yields than those recorded are obtained. No allowance has been made here for crop and animal losses caused by disease or typhoon.

Vegetables—(1 d.c.):

(a) Seeds			
Flowering Cabbage,	3 tacs		\$ 3.00
White Cabbage,	2 "		2.00
Kale,	2 "		2.00
Lettuce,	3 "		15.00
Water Spinach,	1½ "		10.00
			<hr/>
			\$ 32.00
(b) Fertilizers			
Nightsoil,	86 piculs		\$ 78.00
Fish Meal,	8 "		64.00
Chemical Fertilizers,	1 "		30.00
Animal Manure or Compost,	4 "		28.00
Lime,	1 "		3.00
			<hr/>
			\$ 203.00
(c) Rent			
			<hr/>
			\$ 185.00
(d) Labour			
			<hr/>
			\$ 792.00
(e) Insecticides			
			<hr/>
			\$ 80.00
(f) Implements & Misc.			
			<hr/>
			\$ 45.00
(g) Wholesale Vegetable Market Commission			
			<hr/>
			\$ 172.50
			<hr/>
Total			\$ 1,509.50

The above is based on five different kinds of vegetable crops per year, namely, flowering cabbage, white cabbage, kale, lettuce and water spinach.

Paddy—(4 d.c.): The following are the costs of producing 2 crops per annum from 1 d.c. of land.

Seed (7 catties per crop at 60 cts. per catty)	\$ 8.40
Fertilizers (2 crops at 60 cts. per catty)	15.00
Depreciation on Equipment	1.00
Cattle Hire for preparation of land (1 day per crop)	10.00
Labour (preparation of nursery, 1 labour day per crop)	8.00
Labour (1 labour day per crop preparing the field)	8.00
Transplanting (1 labour day per crop)	8.00
Weeding & Applying Fertilizer (1 labour day per crop)	8.00
General Maintenance (3 labour days per crop)	24.00
Harvesting (1 labour day per crop)	8.00
Rent (200 catties of paddy p.a. at 60 cts. per catty)	120.00
<hr/>	
Total cost of 1 d.c. for 2 crops p.a.	\$218.00
therefore cost for 4 d.c.	\$872.00

Sweet Potato. Cost of producing 1 crop of sweet potato, planted after harvesting the second paddy crop (1 d.c.):

Vines for propagation, 1.5 piculs at \$3.00 per picul	\$ 4.50
Cattle hire preparing land, 2 days at \$5.00 per day	10.00
Labour, ploughing, 2 days at \$4.00 per day	8.00
Labour, harvesting, 2 days at \$4.00 per day	8.00
<hr/>	
Total cost 1 d.c.	\$ 30.50
therefore cost for 4 d.c.	\$122.00

Poultry Keeping. (Peasant style, no accommodation provided):

30 day-old chicks at 50 cts. each	\$ 15.00
2¼ piculs of feed to raise 30 chicks to marketable age (6 months) at \$25 per picul	56.00
<hr/>	
Total	\$ 71.00

Pig Keeping:

Cost of 1 double sty & equipment (annual depreciation)	\$ 50.00
1 sow, 120 catties at \$2.50 per catty	300.00
1 store pig, 30 catties at \$2.00 per catty	60.00
Cost of feeding the sow for 12 months at \$20 per month	240.00
Cost of feeding the store pig for 4 months at \$20 per month	80.00
Drugs, vaccinations, etc.	15.00
<hr/>	
Total	\$745.00

Summary of Costs

1 d.c. of vegetables, producing 5 different crops p.a.	\$1,509.50
4 d.c. of paddy yielding 2 crops per annum	872.00
4 d.c. of sweet potatoes	122.00
30 day-old chicks plus food, etc. for 6 months	71.00
2 pigs plus cost of sties, feed, etc.	745.00
<hr/>	
Total	\$3,319.50

Return

(a) Vegetables—1 d. c. each variety	
Flowering Cabbage, yield per crop 20 piculs at \$15	\$ 300.00
White Cabbage " " 20 " at \$15	300.00
Kale " " 25 " at \$15	375.00
Lettuce " " 25 " at \$15	375.00
Water Spinach " " 25 " at \$15	375.00
<hr/>	
Total	\$1,725.00
(b) Paddy	
Return from 4 d.c. of land yielding 2 piculs of paddy per crop at \$60 per picul (2 crops p.a.)	960.00
Straw, 3.5 piculs per d.c. per crop at \$5 per picul	140.00
<hr/>	
Total	\$1,100.00
(c) Sweet Potatoes	
Yield from 1 d.c. of sweet potatoes = 5 piculs, therefore from 4 d.c. planted after the second paddy crop = 20 piculs at \$13 per picul	\$ 260.00
<hr/>	
(d) Chickens	
Of the 30 day-olds, assume that 20 are raised to maturity, 10 of which are male and 10 female. Therefore, 10 cockerels weighing 2 catties each at \$3.50 per catty	\$ 70.00
(plus 10 pullets kept for further breeding 2 catt. each at \$4.00 a catty)	80.00
<hr/>	
Total	\$ 150.00
(e) Pigs	
To 1 porker weighing 120 catties at \$2.00 per catty	\$ 240.00
To 12 weaners weighing 20 catties each at \$3.00 per catty	720.00
(1 gilt kept to increase breeding, 1 store pig kept to replace porker sold)	
<hr/>	
Total	\$ 960.00

(Continued on Page 58)

HONGKONG SHIPPING

Ocean and River Steamers over 60 tons net Entering and Clearing the Port in November 1955

Flag	November		Cleared		Total (Jan.-Nov.)			
	No.	Ton	No.	Ton	No.	Ton	No.	Ton
British	266	490,321	266	506,597	2,668	4,977,746	2,661	4,964,841
American	21	121,007	21	121,007	228	1,227,223	227	1,227,032
Burmese	1	2,845	1	2,845	1	2,845	1	2,845
Chinese	11	3,229	12	4,039	144	50,474	147	54,414
Costa Rica	—	—	—	—	1	477	—	—
Danish	19	59,071	20	59,738	199	645,399	199	642,888
Dutch	20	75,360	20	75,360	183	801,387	183	802,232
Finnish	1	4,964	1	4,964	6	21,184	6	21,184
French	10	29,918	6	28,248	89	301,131	79	291,224
German	3	14,507	3	14,507	36	178,954	36	178,954
Indian	2	6,139	2	6,139	10	30,628	10	30,628
Italian	1	6,586	1	6,586	11	71,452	11	71,452
Japanese	31	93,544	30	96,653	307	994,676	305	994,588
Korean	2	1,870	2	1,870	5	4,546	5	4,546
Liberian	3	6,369	3	6,369	21	44,579	21	44,579
Norwegian	30	83,877	32	87,503	411	1,044,286	413	1,046,802
Pakistan	1	4,306	—	—	7	28,157	6	23,851
Panamanian	9	18,174	9	19,935	128	223,139	134	229,046
Philippine	2	8,653	3	8,788	31	75,886	31	76,945
Portuguese	—	—	—	—	4	16,584	4	16,584
Swedish	6	17,021	7	19,289	90	285,019	91	287,287
USSR	—	—	—	—	1	1,271	1	1,271
Vietnam	—	—	—	—	1	448	2	1,001
Yugoslav	—	—	1	1,271	9	14,722	9	14,722
	439	1,047,761	440	1,071,708	4,591	11,042,213	4,582	11,028,916

HONGKONG AVIATION

Air Traffic in November, 1955

Points of call	Passengers	Departures		Passengers	Arrivals	
		Mail (kilos)	Freight (kilos)		Mail (kilos)	Freight (kilos)
United Kingdom	109	3,279	8,707	111	6,588	10,278
Europe	141	1,016	3,890	124	914	3,906
Middle East	161	1,856	4,232	162	644	1,876
Calcutta	188	813	4,077	145	647	884
Rangoon	110	463	6,640	105	271	45
Bangkok	943	807	17,331	817	2,011	5,225
French-Indochina	662	678	29,297	460	431	4,308
Singapore	478	4,564	16,301	405	2,899	3,345
Philippine	1,466	2,479	11,856	1,375	965	1,528
Australia	112	283	3,666	40	257	900
U.S.A.	245	3,336	11,337	55	2,290	3,469
Honolulu	82	87	216	44	71	124
Canada	144	785	523	70	243	1,045
Japan	1,344	9,041	8,672	1,404	2,392	4,513
Formosa	419	1,346	28,346	744	861	1,434
Korea	69	336	17,804	81	123	403
Macau	—	—	6,300	—	—	—
Okinawa	189	128	9,976	157	—	251
Total	6,862	31,297	189,171	6,299	21,607	43,534
Direct Transit	1,078	—	18,172	1,078	—	18,172

Total Aircraft Departure = 303. Total Aircraft Arrival = 300

CHINA LIGHT & POWER COMPANY, LIMITED

Report of the Chairman of the Board of Directors for the year ended 30th September, 1955

It is a source of justifiable pride that the China Light & Power Co. has been instrumental in contributing yet further toward the development of Kowloon and the New Territories. The comparative figures for the past three years set out below give a striking indication of progress:

(A) GENERATION					
1952/3	1953/4	Increase	1954/5	Increase	
Units	Units	18%	Units	17 1/4%	
270,000,000	313,000,000		367,000,000		
(B) NUMBER OF CONSUMERS.					
1952/3	1953/4	Increase	1954/5	Increase	
52,171	55,980	7.3%	65,412	16.8%	

Electricity generated is predominantly used for industrial purposes. At the same time sales to other classes of consumers show relative increases.

As an indication of expansion in the industrial field the following is a broad analysis of new factories, 604 in number, connected to the Company's system during the year.

Iron Mine	1
Cotton Mills	3
Engineering	75
Knitting & Weaving	95
Clothing	39
Saw Mill, Timber Yards, etc.	23
Bakery	10
Rubber	21
Plastic	26
Metalwork	44
Hardware	5
Button	8
Stone Quarries	12
Torchlight	11
Plating	28
Miscellaneous	203
Total	604

These figures represent a considerable increase over last year's total of 385 factories connected. The demolition of old buildings and their replacement by modern structures continues unabated as also does the development of new areas. There has again been a considerable increase in the number of premises both private and business which are air-conditioned. These include both centralized systems and

individual room units. The cotton spinning mills together with the allied weaving and dyeing factories continue to hold the premier position in local industry. The expansion of other industries also maintains its upward trend. Prominent among these are the steel works, rolling mills and engineering shops. They continue to operate at a high level of production.

Distribution: The pressure on this Department occasioned by the expansion of the Company's business was heavy throughout the year. 28 miles of underground cable was laid and 82 miles of copper conductor was used on overhead network. During the year a further 434 new street lamps were installed.

The New Territories continue to receive close attention and the number of consumers is steadily increasing. Break-downs have now been minimised by the provision of auto-reclosing and protective equipment which was installed from Shing Mun Road to Sham Tseng.

Pursuant to the Company's policy of assisting industry, wherever possible, by giving supplies in outlying and, as yet undeveloped districts, transmission lines to the island of Lantau were extended thus providing facilities to industrial areas where cheap land is available.

As a preliminary measure the former Union Power & Light Co. was purchased, which owned two small diesel-operated generators which will be operated until the arrival of submarine cables and equipment which are now on order. It is estimated that the scheme will cost in the region of \$1,000,000 and that supplies to many parts of the island will be available within the coming year.

The development of the new industrial area at Kun Tong and Nga Tau Kok is receiving careful consideration and already two sub-stations are operating in the area.

Every effort is being made to ensure that supply is readily available in any part of the territory served by the China Light & Power Co.

Meter and Installation Section: During the past year 15,554 new meters were installed and in addition 21,611 meters were calibrated for service. In the same period 23,457 installations were inspected. These figures constitute a record in the Company's history. The foregoing are the primary duties of this Section, but in addition there is the responsibility for Government Routine Testing, maintenance of the Transport fleet and the checking and servicing of instruments. The Radio Telephone System continues to be invaluable in the case of emergencies as it reduces interruptions of supply to a minimum. It will be particularly beneficial in regard to the operation in Lantau where no alternative system of communication is available.

Stores: On the de-requisitioning of the New Stores Building by the Military Authorities, it was immediately thoroughly rehabilitated. The centralization of the valuable stocks has contributed materially to efficient running and reduced considerably the possibility of theft and depreciation due to exposure and bad storage conditions.

Generating Station: During this year an electrical fault developed on No. 9 Turbo-Alternator. Speedy repairs were effected and the machine was again put into commission. Since then it has been running continuously at normal load and giving satisfactory service. The Cross-Harbour Cable was used to good purpose during the fault referred to and proved the wisdom of maintaining this link between Kowloon and Hongkong.

Expansion: Generating capacity of the Station last year was 87,500 kW. and it barely covered needs as regards output and stand-by. In addition to the 20,000 kW. Metro-

(Continued from Page 56)

Balance:

Total Costs		Total Income	
Vegetables	\$1,509.50	Vegetables	\$1,725.00
Paddy & Sweet		Paddy & Sweet	
Potatoes	994.00	Potatoes	1,360.00
Poultry	71.00	Poultry	150.00
Pigs	745.00	Pigs	960.00
	\$3,319.50		\$4,195.00

Cr. Bal. \$875.50

From the credit balance a farmer will have to meet the food needs of his family, provide for the maintenance of house and farm buildings and return loan money and interest charges. From these figures it would seem that the minimum land requirement for a reasonable standard of living should be 2 acres. Of considerable interest is the value of livestock, particularly in improving farming returns. Without livestock the net return is \$581.50 as against \$875.50. More pigs should be raised by farmers.

(To be Continued)

politan-Vickers' turbine ordered last year, a further 30,000 kW. turbo-alternator from Metropolitan-Vickers Electrical Export Co. Ltd., two boilers from International Combustion Export Ltd., each of 315,000 lb. evaporating capacity, and the requisite switchgear and transformers were purchased recently. In the station building which was completed in 1937 there is no further accommodation for new plant. This fact, together with the sure belief that there would be no falling off in the demand for electricity, caused the demolition of part of the adjoining old Power Station built in 1925 and to replace same with a more commodious building. This extension, designed by the H.K. Engineering & Construction Co. Ltd., is being built. Extensive excavations for the foundation of the new turbine block, pump pit and culverts are well in hand.

The developments briefly outlined here do not exhaust the potential of the land available. The reclamation, which the Company are now about to undertake, will provide for the Company's needs for some years to come.

Rates: A further reduction in rates was made. This reduction is in line with the policy to assist wherever possible in improving economic conditions within the Colony.

Ordinary lighting in Kowloon will be reduced by one cent per unit and that in the New Territories by two cents per unit. These reductions become effective on all bills rendered on and after 1st January. This is the twelfth reduction of rates since the re-occupation of the Colony.

Accounts: The large-scale plans for development, together with the Company's growing normal commitments, render the careful conservation of funds a vital necessity. To this end \$9,500,000 were transferred as earnings retained and re-invested in the business. This method is in line with numerous large companies all over the world.

The balance carried forward from the previous year's working was \$2,067,039. To this must be added the balance shown in the Profit and Loss Account amounting to \$9,487,228. After making due allowance for the appropriation of the Interim Dividend of 30 cents per share amounting to \$2,520,000, there is a balance available of \$9,034,267. This balance was dealt with in the following manner:—Paying a Final Dividend of 80 cents per share on fully paid shares and a proportionate amount on partly paid shares absorbing \$6,720,000 and carry forward to next year's accounts \$2,314,267.

FINANCE & COMMERCE

HONGKONG EXCHANGE MARKETS

For the week of 2nd to 7th January 1956

		U.S.\$		Notes High	Notes Low
Jan.	T.T. High	T.T. Low			
2	H O L I D A Y				
3	\$587 $\frac{1}{2}$	586 $\frac{1}{2}$	582 $\frac{1}{2}$	581 $\frac{1}{2}$	
4	587 $\frac{1}{2}$	587 $\frac{1}{2}$	582 $\frac{1}{2}$	581 $\frac{3}{4}$	
5	588 $\frac{1}{2}$	587 $\frac{1}{2}$	583 $\frac{3}{4}$	582 $\frac{1}{2}$	
6	589 $\frac{1}{2}$	589	584 $\frac{1}{2}$	583 $\frac{1}{2}$	
7	589	588 $\frac{1}{2}$	583 $\frac{1}{2}$	582 $\frac{3}{4}$	
D.D. rates: High 587 $\frac{1}{2}$ Low 584 $\frac{1}{2}$.					

Trading totals: T.T. US\$2,100,000; Notes cash US\$445,000, forward US\$2,360,000; D.D. US\$370,000. The market was firm with active buying while sellers held back due to the heavy drop of the Pound Sterling reserves and continuous setback of the cross rates in New York. In the T.T. sector, operators bought heavily and demand was strong. Funds from Japan, Korea and Indochina were available. In the Notes market, a large amount of cash notes reached here from Japan, Korea and the Philippines; interest favoured sellers at HK\$4.40 per US\$1,000. Rates separated from those for T.T. by about 6 points. Some speculative activity appeared and positions taken averaged US\$2½ million per day. In the D.D. sector, the market was not active.

Yen: Only a small volume of business was traded. Interest favoured buyers at \$4.31 per Yen 100,000. Cash notes were quoted at ¥1,475—1,470 per Yen 100,000.

Far Eastern Exchange: Highest and lowest rates per foreign currency unit in HK\$: Philippines 1.88—1.865, Japan 0.01445—0.014325, Malaya 1.879, Indo-

china 0.0675, Thailand 0.2659. Sales: Pesos 305,000, Yen 90 million, Malayan \$310,000, Piastre 6 million, Baht 3½ million. The market was quiet.

Chinese Exchange: People's Bank notes quoted nominally at \$1.60 per Yuan. Taiwan Dollar notes quoted at HK\$158—152 per thousand, and remittances at 148—147.

Bank Notes: Highest and lowest rates per foreign currency unit in Hongkong \$: England 15.59—15.32, Australia 12.25, New Zealand 13.67—13.60, Egypt 15.20—15.10, South Africa 15.33—15.32, India 1.175—1.1725, Pakistan 0.92—0.90, Ceylon 0.95, Burma 0.65—0.63, Malaya 1.835—1.829, Canada 5.8425—5.82, Philippines 1.955—1.935, Macao 0.985—0.95, Switzerland 1.35, France 0.0148—0.0147, Indochina 0.073—0.072, Indonesia 0.16—0.158, Thailand 0.262—0.259.

Gold Market

Jan.	High .945	Low .945	Macao .99
HOLIDAY			
2		253¾	Low 263½
3	\$254	253¾	
4	254	254	
5	254½	254	
6	254½	254½	264½ High
7	254½	254½	

The opening and closing prices were \$253¾ and 254½, and the highest and lowest \$254½ and 253¾. The market was steady with higher US\$ exchange rates and better export demand. Interest for change over favoured sellers at 20 HK cents per 10 taels of .945 fine. Transactions totalled 34,850 taels, averaging 6,970 taels per day. Positions taken averaged 22,500 taels per day. Cash sales amounted to 16,130 taels (2,630 listed and 13,500 arranged). Imports were all from Macao and amounted to 11,000 taels. A shipment of 48,000 fine

ounces arrived in Macao during the week. Exports totalled 13,000 taels (5,500 to Singapore, 3,000 to Indonesia, 3,000 to Rangoon, and 1,500 to Indochina). Differences paid for local and Macao .99 fine were \$12.30—12.10 and 12.00—11.70 respectively per tael of .945 fine. Cross rates were US\$37.75—37.74.

Silver Market: Market remained steady. Trading was limited by short stock. Bar silver quoted at \$6.15—6.10 per tael with 1,200 taels traded, \$ coins at 4.00—3.97 per coin with 1,500 coins traded, and 20 cent coins at 3.05—3.02 per 5 coins with 2,500 coins traded.

HONGKONG SHARE MARKET

Hongkong Bank and Union Insurance made impressive gains of \$35 and \$50 respectively last week in the local stock exchange market. Trading was active throughout the week. Low buying offers on Tuesday slightly depressed prices for several popular items. On the following day, Realities enjoyed such an active demand that 30,000 shares changed hands during the half-day session. Electrics, Providents, Telephones, Docks, Trams, and Lights made repeated gains on Thursday; Union Ins were so attractive that no selling offer was available. At the end of last week, Banks and Union Ins made further gains. More than 40,000 shares of Amal Rubber changed hands at prices better than the closing rate for the previous week. Textile also enjoyed strong demand but registered no improvement in price on account of low buying offers. Closing rates for Dairy Farms, Hotels, and Providents

were slightly lower than Thursday prices.

Share	Dec. 30 1955	Jan. 6 1956	Up or Down
HK Bank	1765	1800	+\$35
Union Ins	960	1010	+\$50
HK Wharf	70 n	68.50 b	-\$1.50
Wheelock	8.40	8.35	-.05
Provident	15.40	15.50	+.10
HK Dock	30.25	32.75 s	+\$2.50
Hotel	17.70	17.50	-.20
Land	64	63.50	-.50
Realty	1.875	2 s	+12½ct
Yau-mat	23.70	24.70	+\$1
Yau-mat	103	105	+\$2
Light (o)	23 s	22.90	-.10
Light (n)	17	17.10	+.10
Electric	42.50	42.75	+.25
Telephone	33	33.50	+.50
Cement	37	37.25	+.25
Dairy Farm	19.70	19.10	-.60
Yangtze	6.60	6.65	+.05
Watson	13.20	13.20	steady
Nanyang	7.85	7.70 b	-.15
Textile	5.85	5.85	steady
Amal Rubber	1.975	2.025	+.05

Monday: Holiday. **Tuesday:** The market was firm. Trading was on a light scale. The turnover amounted to approximately \$530,000. **Wednesday:** The market ruled steady throughout the half day session with fresh gains. Hongkong Banks and Unions were again in demand at higher levels. Utilities were quiet although Trams improved fractionally to \$24.20. The volume of business was small however with the turnover amounting to \$400,000. **Thursday:** Under the leadership of H.K. Banks and Unions, the market gathered more strength with prices advancing on a wide front. H.K. Banks changed hands from \$1.770 up to \$1.795 whilst Unions closed with buyers at \$990 but there was no scrip offering. Utilities, Docks, Cements and Lands were also well supported at higher levels. The undertone was firm throughout the day and the volume of business improved to \$1,220,000. **Friday:** H.K. Banks and Unions moved higher under sustained support. Elsewhere prices remained generally steady and virtually unchanged. Rubber shares were firmer. The turnover for the day amounted to approximately \$1,110,000.

Hongkong Stock Exchange in December

Although the business reported during December was of moderate volume the market remained steady throughout the month with prices tending to rise towards the end. The credit restrictions seriously affected the volume of business, but had little effect on legitimate demands for first class shares.

Banks & Insurances: Hongkong & Shanghai Banks were in demand and prices were forced up from \$1.665 to \$1.765. There was a persistent demand for Unions during the month and prices advanced from \$910 to \$960. Lombards also came in for attention and a fair number of shares changed hands at \$55 with unsatisfied buyers bidding \$54½ at the close. **Shipping:** Wheelocks held their annual general meeting this

month and the market responded slightly to the Chairman's address. Disappointment has been expressed at the omission from published reports of the Chairman's informative replies to questions submitted previously. The number of shares which changed hands showed a falling off as compared with the previous month. **Docks & Wharves:** A demand set in for Hongkong Docks and China Providents and a large volume of business resulted. **Lands, Hotels, etc.:** A steady demand for Land (O) and Land (Rights) was maintained during the month but there appeared to be less interest taken in Hongkong Hotels. **Public Utilities.** A demand for shares in this group continued and prices, where changed, were higher and buyers remained unsatisfied at the close of trading. **Industrials:** Cements again were in the lead in this group and a fair number of shares changed hands from \$33½ to \$37. Metal Industries were neglected, and remained at \$2 nominal. **Stores:** Little interest was taken in this group, but Dairy Farms and Watsons appreciated to \$19.60 and \$13.30 respectively. **Miscellaneous:** Allied Investors and Yangtszes were active and China Entertainments dealt in at levels below previous closing. Other shares in this group were neglected. **Cottons:** A moderately large number of shares were dealt in at prices below previous closing. **Rubbers:** Amalgamated and Rubber Trust were again the main features of shares in this group and rates were largely influenced by the price of raw rubber which remained fairly constant during December.

Dividend announcements were made by Nanyang Cotton Mill Ltd. and Ayer Tawah Rubber Plantation Co., Ltd.

Business reported during December: \$14,897,827. Business reported in 1954: \$251,976,029. Business in 1955: \$333,189,500. Business reported December, 1954: \$42,578,921.

Business During December

	Qty. of Shares
H.K. Bank	520
Lombard Insurance	2,252
Union Insurance	366
Union Waterboats	1,100
Asia Navigation	2,000
Wheelock Marden	99,000
Wharf Co.	1,453
C. Providents	20,346
H.K. Docks	73,031
Shanghai Docks	2,521
H.K. & S. Hotels	37,700
H.K. Lands (O)	12,075
do (N)	222
do (Rts)	4,480
Shanghai Lands	3,500
Humphreys (O)	500
" (N)	375
Realty	23,000
H.K. Trams	23,299
Star Ferry	400
Yau-mat Ferry	3,895
China Lights (F. Pd.)	41,911
" (P. Pd.)	13,486
H.K. Electric	37,243
Macao Electric (O)	3,235
Telephones	24,991
Cements	40,825
Dairy Farms	23,341

	Qty. of Shares
Watson	15,983
Lane Crawfords	1,012
Sincere	2,190
Kwong Sang Hong	114
China Entertainment	3,250
Yangtze	13,681
Allied Investors	16,800
H.K. Mines	25,000
Textiles	80,700
Nanyang Mill	15,750

Rubber

Amalgamated Rubber	221,730
Ayer Tawah	1,000
Java-Consolidated	5,190
Langkat	8,400
Rubber Trust	89,285
Shai Kelantan	18,500
Sungala	4,500

HONGKONG AND FAR EASTERN TRADE REPORTS

Hongkong trade figures for December 1955 are: Imports \$349,900,162; Exports \$245,774,275; Total \$595,674,437; showing an increase of \$8,740,185 (imports by \$8,636,676 and exports by \$103,509) over November 1955, and also an increase of \$46,218,279 (imports by \$14,824,507 and exports by \$31,393,772) over December 1954. The estimated total value for 1955 is \$6,253,317,858, an improvement of \$400,883,032 over the total of \$5,852,434,826 for 1954.

The local commodity market was slow after the holidays. However, more enquiries were received from various sources, indicating better business during the next few weeks.

TRADE DEVELOPMENTS

Trade Restrictions: US now permits the imports of HK manufactured hand-painted wallpaper and bronze imitation antiques if these shipments are covered with comprehensive certificates of origin. UK rescinded the requirement of export licence for shipments of many kinds of animal feeds to places other than China, Macao, Tibet and North Vietnam. MEXICO raised the import tariff on vacuum flasks: under 1,000 c.c. capacity: M\$2 plus 30% ad valorem; over 1,000 c.c. capacity: M\$0.25 plus 20% ad valorem. AUSTRALIA announced following new import duties: felt hat: 22.5% ad valorem; glass: 1 penny per sq. ft. or 17.5% ad valorem. IRAN suspended the issuance of import licences for buttons, wrist watches & accessories, nylon stockings, hairnet, scarves, etc. SUDAN revised import duties on shoe and boot to 20%; textiles & piecegoods to 30%; soap to 30%; paint & varnish to 12%; wheat flour to 25%; vegetable oil to 20%; dried chilli to 15%; candies to 30%; bleached or unbleached cotton cloth to 20%; all ad valorem; cotton yarn imports are now free from duties. TURKEY accorded preferential treatment to goods of HK origin.

China Trade: China signed a trade protocol with Lebanon and concluded a trade and payments agreement for 1956 with Rumania. Trade negotiation between China and Italy will shortly be resumed in London. A French trade mission will soon visit Peking. China has also intensified her exports to Southeast Asia: textiles, metal products, foodstuffs, and vegetables to Singapore; iron nails, iron wire, and tobacco leaves to Indonesia; and cassia lignea to India. On the local market last week, China purchased only some pharmaceuticals.

Taiwan Trade: Taiwan bought pharmaceuticals and industrial chemicals from here and enquired for 1,000 metric tons of groundnut oil. Taiwan cotton textiles were offered to Hongkong.

Korea Trade: Rehabilitation funds amounting to US\$1.54 million were earmarked for the imports of (\$500,000) cotton yarn, (\$400,000) rayon, (\$200,000) timber, and (\$400,000) hides. Korean purchases from here included woollen yarns, paper, pharmaceuticals, and industrial chemicals.

Indonesia Trade: 2,500 million rupiahs out of Djakarta's budget for imports during 1955-1956 (7,000 million rupiahs) had already been allocated. Indonesia's purchases from here remained slow while her imports from Japan showed considerable increase recently.

Thailand Trade: Bangkok lifted the import ban on kerosene lamps. As a result, orders for a substantial quantity of this item reached here last week. Export of HK manufactured cotton yarns, textiles, enamelware and structural materials to Thailand remained active. Bangkok also imported cotton yarns and structural steels from Japan via HK. Heavy arrival of rice from Thailand checked the rising trend of the local rice market.

Indochina Trade: Trade with North Indochina showed signs of revival. The trade was conducted on barter basis. Exports from HK included medical instruments, industrial chemicals, dyestuffs, and fertilizers. Shipments from Indochina consisted mainly of cassia lignea, feathers, mineral products, and hides. Vietnam and Cambodia were planning to import cement, metals, machinery, and foodstuffs from Japan via HK. Maize, peas, beans, etc. were shipped to Japan directly from Vietnam.

Philippine Trade: Manila decided to cut the imports of non-essential commodities in the first quarter of 1956 by 50%. Trade between Hongkong and the Philippines improved recently with the resumption of barter shipments; the first shipment of 1,900 tons of Philippine sugar arrived here last week. In return, HK will send cotton yarns, textiles and sundries to the Philippines. During January to November last year, the value of Hongkong exports to the Philip-

pinees totalled \$49.2 million, representing an improvement of \$2.3 million over the corresponding period in 1954.

Burma Trade: Soviet Russia purchased a substantial quantity of rice from Burma. In addition to the granting of 822 import licences for cotton textiles, Rangoon approved the imports of large quantities of metal products and building materials; preference was given to imports from Japan and Sterling Area. 92 licences had already been issued and the items included asphalt, coat tar and bitumen; chalk and lime stone; tiles and bricks; underground water pipe and sanitary equipment; window glass; metal drills and screws; metal fixtures including locks, bolts, etc.; metal products including round iron bars and reinforced steel bars of diameters not over 1"; iron or steel netting and fence; iron and steel pipes of diameters not over 6"; water pipes; corrugated galvanized iron sheets; galvanized sheets and galvanized steel plates.

Other Countries: FRANCE might soon ease her import restrictions on "free commodities" such as raw materials and mineral products. CEYLON was planning to import 100 million rupees worth of light industrial machinery and raw materials for her domestic industries.

COMMODITIES

China Produce: Special feature last week was the upsurge of demand from Singapore and India. Japan and Europe maintained their usual interest. Prices in general were firm and sharp advances were made by some short stocked items. Gallnut was low in stock; offers were unavailable even on forwards at higher prices. Cassia lignea enjoyed substantial sales to India. Tea attracted strong demand from Singapore and keen interest from Europe; prices on the London market improved. Teased cake was favoured by Taiwan; raw silk was firm and active with orders from Europe; groundnut kernel was low in stock; talcum gained slightly on orders from Singapore and Thailand; menthol crystal was favored by Singapore, Penang, Indonesia and Burma; dried chilli was purchased by Colombo, alum by Vietnam, and crude lacquer, sesame seeds, white pea and green pea by Japan. Teased oil advanced on short stock; citronella oil also advanced despite light turnovers; woodoil and peppermint oil recorded small transactions at unchanged prices; and offers of eucalyptus oil from China reappeared on the market. Red bean was favored by Singapore; soya bean witnessed a slow and bearish trend; green bean, black bean, and string bean were steady on local demand. Aniseed star, however, dipped on account of heavy supply.

Metals: Market recovered from its early sluggishness during the week. Many popular items registered price improvements by the end of the week.

Mild steel round bar enjoyed strong local demand; Taiwan enquired for large sizes which were low in stock. Mild steel angle bar advanced on keen demand from Taiwan; mild steel joist and flat bar were short in stock and prices firmed up; galvanized iron sheet was firm with local demand; while galvanized iron pipe was active in both export and local sales. Vietnam purchased some miscellaneous items and Japan absorbed considerable quantities of copper scraps. Tin plate waste and iron wire nail dipped as a result of over-supply and black plate waste turned bearish with drops in indent prices. Baling hoop and wire rod drew only local demand.

Paper: Market during the week was steady and exporters stepped up their enquiries for items which were popular with Korean buyers: transparent cellulose paper, woodfree printing and newsprint in reels. Bond and manifold were favored by Vietnam. MG ribbed red pure sulphite was short in supply; price improved. Cigarette paper in reams enjoyed brisk local demand and art printing moved up on higher cost. Active trading in aluminium foil and prime white glassine was registered. Straw board was weakened under heavy arrivals from China. Poster was barely steady because China had lowered the indent prices for some of the specifications.

Industrial Chemicals: In spite of enquiries from Taiwan the market was sluggish. Stocks of many popular items were low but traders were cautious in booking supplies on account of the high indent costs and unfavourable delivery terms. Comparatively active in the dull market was ammonium bicarbonate, calcium hypochlorite, sodium sulphate, and sodium cyanide which registered limited purchases by Taiwan and Korea.

Pharmaceuticals: The market was moderately brisk and prices steady. Aspirin powder was bought by China; calciostelin, penicillin preparations, gum tragacanth powder and sodium iodide by Taiwan; sulfathiazole powder, caffeine alkaloid, and sulfaguanidine powder by Korea. Local demand covered PAS powder, amidopyrin, sanatogen, vitamin preparation, quinine ethylcarbonate, and sulfanilamide powder.

Cotton Yarns and Textiles: Cotton yarn market remained slow throughout the week, but prices were steady. Prices for Hongkong yarns remained unchanged; Indian and Pakistan yarns were bearish; Japanese yarns were firm; Japanese staple fibre yarns enjoyed limited demand from Thailand. Prices of cotton textiles dropped further on account of weak export and local demand and new arrivals. Taiwan textiles were offered on the local market.

Rice: Market eased during the week under heavy supplies from Thailand; turnovers however were quite substantial. With the supply situation im-

proved, Government decided not to increase the rice import quota for the first quarter of 1956.

Sugar: The market was bearish throughout the week. More supplies arrived from Taiwan and the Philippines. Taikoo fine and granulated were steady and malt sugar firm with seasonal demand.

Marine Products: Market was steady during the week. Cuttle fish was favored by Vietnam and sea blubber by Singapore. Dried oyster and dried shrimp enjoyed active local demand. Compo declined under heavy arrival from Japan.

Sundries: The sundry provisions recorded keen selective buying interest from Southeast Asia. Black moss and water melon seed were popular with local consumers; thick mushroom and lily bulb enjoyed active export demand; black fungus firmed up; and red date improved on short stock. Among the Japanese articles, a big consignment of Japanese sewing needles were exported to Indonesia.

Miscellaneous: Export of motorcars to Indonesia, especially American sedans, brought good profit to local traders. Korean apples are enjoying growing popularity in the local market.

Hongkong Products: Enquiries for torchlight cases were received from India. Export of cloth umbrellas slowed down; Indonesia, India, Burma, and the Philippines are restricting the import of this item.

COMMODITY PRICES ON DECEMBER 31, 1955

CHINA PRODUCE

(Prices per picul unless specified otherwise)

Aniseed Star: Kwangsi, export packing, \$89. **Bran (Wheat):** HK, \$25. **Bran (Rice):** Thai, 1st grade \$27; Sourabaya, \$26.50. **Cassia Ligna:** Kwangtung/Kwangsi, 1-cwt bale \$55; 80-lb bale \$52. **Gallnut:** Szechuen, forward \$120. **Gypsum:** Hupeh, white \$7.10 ex-wharf. **Fluorspar:** Hunan 85% £10/10/0 per metric ton c & f Japan. **Tin Ingot:** Straits 99.75% \$800. **Hog Bristle:** Tientsin No. 55 black 28/- per lb c & f Europe; Hankow No. 17 black 24/11 per lb c & f Europe. **Raw Silk 20/22 denier:** Shanghai, white AAA grade \$3.265; AA grade \$3.235; A grade \$3.215; Canton, A grade forward \$3.090. **Dried Red Chili:** Szechuen \$106; Hunan \$102. **Rosin:** Kwangtung, AA grade \$1.109 per metric ton; A grade \$1.092 per metric ton. **Sesame:** Africa, yellowish-white \$70; Thai, black, \$57.50; Vietnam, brown, \$52.50; Hankow, yellowish-white, \$80. **Castor Seed:** Thai, £50/- per metric ton cif Japan. **Mustard Seed:** North China, \$80. **Linseed, North China, £59/-** per metric ton cif Japan

Silk Waste: Szechuen, spun silk tops, 60-kilo case, A grade \$1,950 per case; Liao-tung, A grade, tussah silk waste 74/- per kg cif Japan. **Kwangtung, A grade, long waste \$1,560** per quintal. **Tea:** Flowery, Fukien, above average quality \$1,800; Ti Kwan Yin black, Fukien, 1st quality \$1,920; Black, Hunan, above average quality \$345; OP black, Taiwan, \$220; Powchong, Jasmine, Taiwan, 2nd quality \$370. **Spun Silk:** Shanghai, 210/2 50-kilo case \$1,900 per case; 140/2 50-kilo case \$1,700 per case; Shanghai, A grade, bourettes, 8/- per kilo c & f Japan. **Aniseed Oil, in drum \$1,710;** export quality 16/3 per lb c & f Europe. **Camphor Oil:** Taiwan, refined, in drum \$1.35 per lb; Kwangsi, crude in drum \$150. **Castor Seed Oil:** in bulk \$93. **Cassia Oil:** 80-85% in drum \$1,370. **Citronella Oil:** Taiwan \$11.20 per lb. **Peppermint Oil:** Shanghai, \$27 per lb. **Tea-seed Oil:** Kwangtung in bulk \$110. **Wood Oil, Refined:** in bulk, spot \$186; in bulk, February forward \$2,950 per long ton ex-station; in bulk £190/- per metric ton c & f London. **Almond, Bitter:** Tientsin, red membrane, jobber's price \$350. **Alum:** Wenchow \$20. **Coi Fibre:** Szechuen, A grade 18"/24", \$110. **Galangal:** Kwangtung, 2nd quality \$33; **Ginger, dried:** Szechuen, whole, old stock \$130. **Hop Seeds:** Tientsin new stock \$61. **Rhubarb:** Tientsin, F.A.Q. \$35.50. **Silk Wadding:** Shanghai, forward \$38.50 per kilo. **Talcum Powder:** East China \$230 per metric ton. **Teaseed Cake:** Kwangtung/Kwangsi, new stock \$12.50. **Turmeric:** Taiwan, B grade \$62; Northwest China, \$73. **Black Bean:** Shanghai lower quality \$57.50; Kwangsi 2nd quality \$36.80; Pakhoi \$37. **Red Bean:** Tsungming \$63; Shantung \$60; Korean \$42. **Green Soy Bean:** Pengniu, forward \$43.20. **Yellow Bean:** Dairen, 1955 crop \$45.50; old stock \$41; Vietnam old stock \$32.50. **White String Bean:** Thai, large \$40. **Green Bean:** Kalgan, \$46.50; Thai, 1st quality, new stock \$31; Anhwei, mixed 2nd quality \$28.20; Hankow, \$26; Vietnam, \$26. **White Peas:** Vietnam \$45. **Groundnut, Shelled:** Tsingtao, new crop, F.A.Q., forward \$72.50; Africa, new stock, large \$73; Thai selected, \$73. **In Shell:** Tsingtao, export packed £120/- per metric ton c & f Europe. **Feather:** Duck, Hongkong N.N. (85%), \$450; Vietnam, 1st quality, \$374; Goose, Hongkong G.G.S. (90%), \$610. **Maize:** Thai, red, forward, \$23.50; Rangoon, white, \$21. **Menthol Crystal:** Shanghai, White Beer, \$36.50 per lb.

METALS

(Prices per picul unless specified otherwise)

Mild Steel Angle Bars: Cont. or Jap., 1/8" x 1" x 1", \$49; 3/16" x 1-3/4" x 1-3/4" \$46; 5/16" x 2" x 2" \$46. **Mild Steel Flat Bars:** Cont. or Jap., 1/8" x 3/4" \$47; 1/8" x 1" \$47; 1/4" x 1"—\$46; Hongkong, 1/8" x 5/8" \$45; 1/4" x 1" \$43. **Mild Steel Round Bars:** Cont., 40' length, 1/4" to 3/8" \$46; 5/8" to 1 1/2" \$44; Hongkong 20-40"

length, 1/4" \$45; 3/8" to 1" \$43.50. **Mild Steel Square Bars:** Cont. or Jap., 20"—22" length, 1/2" \$48.50; 5/8" to 1 1/2" \$47. **Mild Steel Plate:** Jap., 4' x 8', 1/16" \$56; 3/32" \$55; 1/8" \$51; 3/16" to 3/8" \$49. **Steel Wire Rope:** Hongkong, 24 x 6 x 720', 1 1/2" \$1.65; 1 1/2" \$1.45; 2 1/2" \$1.20, all per lb; U.K., 24 x 6 x 7, 1 1/2" \$2.00; 1 1/2", \$1.70; 2 1/2" \$1.20 all per lb. **Tin Plate Waste:** Electrolytic, US 18" x 24" 200-lb case with tin lining HK\$86 per case; 1 ton skid \$85 per 200 lbs; UK 18" x 24" 1 ton skid \$83 per 200 lbs; Coked, US 18" x 24" 200-lb packing \$97 per case; 1 ton skid \$96 per 200 lbs; UK 18" x 24" 200-lb case \$93 per case; Misprint, U.K., 18" x 24" & larger \$48. **Black Plate Waste Waste:** U.K., 18" x 24" & larger G29-G33 \$45. **Galvanized Iron Sheets:** Jap., 3' x 7', USG-24 54c; USG-26 55c; USG-28 56c, all per lb; USG-31 \$5.50 per pc. **Tin Plate:** U.K., 20" x 28" 200-lbs tin lined case of 112 sheets, \$116 per case; 30" x 36" G26 56c per lb. **Aluminium Sheets:** Jap., 4' x 8', 99.5% alloy, G22 \$2 per lb; 3' x 8' 99.5% G18-G20 \$1.99; G26 \$2; G28 \$2 all per lb. **Zinc Sheets:** Cont. 3' x 8' G5-G6 \$118; G8-G10 \$123. **Black Iron Pipes:** Cont., 18-22", 1/2", 40c; 1" 67c; 2" \$1.60, all per ft. **Galvanized Iron Pipes:** Cont., 18-22" 1/2", 46c; 1" 78c; 2" \$1.90; 3" \$3.75; 4" \$3.80, all per ft. **Iron Scraps:** Wrought Iron Scraps, 1st choice \$340 per ton; 2nd choice \$240 per ton; Ship Salvaged Iron Plate 3/8" \$31; 1/2" & over \$31.50.

PAPER

(Prices per ream unless specified otherwise)

Aluminium Foil: U.K. 60 gr. 22-lb ream, 20" x 26" thick, golden colour \$88; Dutch or Austrian, same specification but silver colour \$67. **Duplex Board:** 31 x 43" 250 gr. 240-lb ream, Swedish \$156; Czech \$142; Norwegian \$146; Japanese \$117; 230 gr. 220-lb ream, Swedish \$142; Czech \$126; Austrian \$128; Japanese \$102; Norwegian \$135; Finnish \$136. **Transparent Cellulose Paper:** 36 x 39" 30 gr Japanese \$75; Italian \$70; French \$71; Belgian \$70. **Newsprint in Reels:** 50-52 gr., 31" US 49c; Canadian 48c; Chinese, 45c; Norwegian 48c; Austrian 47c, all per lb. **Newsprint in Reams:** 31 x 43" Cont., 50-52 gr. 50-lb ream \$25.50; Jap., 50 gr. 48-lb ream \$21; Chinese, 50 gr. 48-50 lb ream \$22. **M.G. Cap:** 22/23 gr. 17 1/2-lb ream, 25 x 44", Austrian \$12.50; Norwegian \$12.70; Jap., \$11.50; Chinese \$8.80. **M.G. Ribbed Pitched Kraft:** Swedish 100 gr. 118-lb ream 35" x 47" \$88. **M.G. Ribbed Kraft:** 35" x 47", Swedish 40 gr. 47-lb ream \$34.50; Austrian, 39 gr. 46-lb ream \$32; Jap. 38/39 gr. 45-46-lb ream \$29.50; Cont. 60/160 gr. 75/160-lb ream 72c per lb. **Un glazed Kraft:** 35" x 47", Swedish, 60/140 gr. 75/160-lb ream 71c per lb; Austrian 100/140-gr. 115/160-lb ream 70c per lb; Chinese 40/80-lb ream 60c per lb. **Art Printing:** One-side coated, 31" x 43" 88 gr. 85 lb ream,

U.K. \$99; Italian \$97; Dutch \$92; Japanese \$83. Two-side coated, 31" x 43" U.K. 95/120 gr. 90-100-lb ream \$1.25 per lb; U.K. 92 gr. 88-lb ream \$1.06; **Woodfree Printing:** 31" x 43" Austrian or Dutch, 50 gr. & below, 43/48-lb ream 85c per lb; 60 gr & over 57/60-lb ream 79c per lb; 62/83 gr. 65/80-lb ream 79c per lb; Jap. 60/100 gr. 57/100-lb ream 69c per lb; 50 gr. 48-lb ream 70c per lb; Chinese 60/90-lb ream 65c per lb. **Bond:** 22" x 34", white, 60 gr. 32-lb ream, Norwegian or Swedish \$30.50; Central Europe \$27; Cont. \$24.30; Jap. \$23. **Tissue Paper:** Swedish, 25" x 44", 17 gr. 13 1/2-lb ream \$19.50; Norwegian 25" x 44", 17 gr. 13 1/2-lb ream \$21.50; Austrian, \$21. **Strawboard:** 26" x 31", Dutch, 8—16 oz. \$520; Jap. 8—16 oz. \$440; Jap. 20—32 oz. \$540; Chinese 8—16 oz. \$380, all per ton.

INDUSTRIAL CHEMICALS

(Prices per picul unless specified otherwise)

Acetic Acid: (Glacial 99/100%) German, 25-kilo drum, public godown stock 74c per lb. **Stearic Acid:** Belgian 100-kilo bag, needle form 95c per lb; Australian 140-lb bag, powder form 68c per lb. **Oxalic Acid:** (crystal) German, 100-kilo barrel, 71c per lb. **Barium Sulphate:** German, 50-kilo bag \$445 per ton. **Bicarbonate of Ammonia:** UK, 2-cwt drum \$661 per ton; German 50-kilo drum \$630 per ton; Polish 50-kilo drum \$500 per ton. **Bleaching Powder:** UK 35% 1-cwt drum \$33.50 per drum. **Borax** (granular): US 100-lb paper bag \$31.50 per bag. **Calcium Hypochlorite:** Jap. 60% 50-kilo drum 62c per lb. **Cautic Soda:** Chinese 250-kilo drum \$114 per drum; UK 300-lb drum \$149 per drum; Jap. 300-kilo drum \$146 per drum. **Chlorate of Potash:** French, 100-kilo 61c per lb; UK 50-kilo 62c per lb. **Formalin:** UK 40% volume, 448-lb drum 37c per lb. **Glycerine:** Chinese 20-kilo tin \$1.85 per lb; Dutch, s.g. 1.260, 250-kilo drum, public godown stock \$2.10 per lb. **Gum Arabic:** Sudan, 100-kilo bag 98c per lb. **Linseed Oil:** UK 400-lb drum \$117. **Lithopone** (30%): Dutch 50-kilo paper bag 34 1/2c per lb. **Red Phosphorus:** Canadian 11-lb tin 1/10 case \$290 per case. **Rongalite C** (Lump): French 93c per lb. **Rosin:** US 517-lb drum \$82. **Shellac:** Indian, No. 1, 164-lb case \$385. **Soda Ash:** Chinese, 80-kilo bag \$22.30 per bag; UK dense \$32.50 per bag; UK light \$26 per bag; Jap. dense \$31.50 per bag. **Sodium Bichromate:** Australian, 560-lb drum, public godown stock 86c per lb. **Sodium Cyanide:** German, 50-kilo drum \$1.17 per lb. **Sodium Hydrosulphite:** French, 50-kilo drum \$158; German, 100-kilo drum \$155; UK, 50-kilo drum \$168; US, 250-lb drum \$155. **Sodium Nitrate:** German, 50-kilo gunny bag \$26. **Sulphur Powder:** German, 50-kilo bag \$33; US 100-lb bag \$35.50. **Industrial Tallow:** Australian, No. 300-kilo drum \$80. **Tanning Extract:** Mi-

mosa 57c per lb; Quebracho 77c per lb. **Titanium Dioxide:** Japanese 20-kilo paper bag \$1.85 per lb; US, 50-lb paper bag \$2.15 per lb. **Zinc Chloride:** Belgium, 1-cwt drum \$1,420 per ton. **Zinc Oxide 99%:** Dutch, 50-kilo gunny bag 65c; German, 50-kilo paper bag, white seal 66c; Italian, 50-kilo gunny bag, golden seal 76c; all prices per lb. **Gum Copal:** Malayan, No. 1, 140-catty gunny bag \$240. **Gum Damar:** Malayan, No. 1, 140-catty gunny bag \$320. **Montan Wax:** German, 50-kilo gunny bag \$1.90 per lb.

PHARMACEUTICALS

(Prices per lb. unless specified otherwise)

Penicillin-G Procaine Fortified: 400,000 units per dose—UK, 1957, 35 1/2c per vial; French, 1956, 16c per vial. **Penicillin Ointment:** UK, 2,000 units per 1-oz tube, \$6.60 per doz. **Penicillin-G in Oil, Procaine:** 300,000 units per cc, 10 cc per vial; UK, 1958, \$2.35 per vial; US, 1957 \$2.60 per vial; French, 1957, \$1.60 per vial. **Dihydrostreptomycin:** UK, 1958, 76c per vial of 1 gm; 1959 83c; French, 1958, 67c per vial of 1 gm; 1959, 72c; Japanese, 61c per vial of 1 gm. **Sulphadiazine Powder:** UK, 14-lb tin, \$28; French, 10-kg tin \$27; Japanese 10-kg tin \$27; Danish, 50-kg drum, \$27. **Sulphaguanidine Powder:** French, 50-kilo drum \$6.90; Italian, 1-cwt drum \$6.90. **Sulphathiazole Powder:** French, 50-kg drum \$9.30. **Sulphanilamide Powder:** US, 200-lb drum, \$4; UK, 1-cwt drum, \$4.05; German, 50-kg drum, \$3.90. **Quinine Ethylcarbonate:** Dutch \$2.40 per 1-oz carton. **Quinine Sulphate:** Dutch, \$134 per 100-oz tin. **Amidopyrin:** French, \$16.30; US, \$17; UK \$16.20. **Phenacetin:** Dutch, 50-kilo drum, \$5.10; UK \$5.40; German \$5.20. **Saccharum Lactose:** Dutch, 1-cwt case, 90c; German, 1-cwt case, 90c; UK, 56-lb tin, \$1. **San-tonin:** UK, 1-kg tin \$17.10 per oz. **PAS Powder:** UK 8-oz tin \$5.70 per tin; French 250-gm tin \$5.50 per tin; 50-kilo drum \$17.24 per kilo; German 50-kilo drum \$17.30 per kilo. **Chloroform:** UK 1-lb bottle \$1.90 per bottle. **DDT Powder 75% papa para,** UK 100-kilo barrel (white) \$1.70; Italian 100-kilo drum \$1.65. **Glucose Powder CP:** Dutch 200-lb drum 90c; US 200-lb drum 92c. **Glucose Powder Monohydrate:** Dutch 300-lb case 75c.

COTTON YARNS

(Prices per bale unless specified otherwise)

Hongkong Yarns: 10 Counts, \$800 to \$900; 12's, \$920; 16's, \$1,060; 20's, \$1,060 to \$1,170; 26's, \$1,280; 32's, \$1,350 to \$1,440; 40's, \$1,550; 42's, \$1,650. **Indian Yarns:** 20's, \$875 to \$940; 32's, \$1,140 to \$1,145. **Japanese Yarns:** 32's, \$1,430 to \$1,470; 40's, \$1,540 to \$1,600; 42's, \$1,630 to \$1,670.

COTTON PIECE GOODS

(Prices per piece unless specified otherwise)

Grey Sheetings: Chinese, 72 x 69, 36" x 40 yds, \$35.50; HK, 60 x 56, 36" x 40 yds, \$36.50 to \$37; Japanese, No. 2023, \$38, No. 2003, \$35.50. **White Shirting:** Japanese, No. 16000, \$43.30; No. 10000, \$43.30.

RICE

(Prices per picul unless specified otherwise)

White Rice: Thai, Special 3% new crop 1st quality \$56.30; A-5%, new crop \$54.80; B-10% new crop \$53.60; C-15% new crop \$51.50. **Three Quarter Rice:** Thai, 2nd class, \$53.30; 3rd, \$49.50. **Broken Rice:** Thai, C-1, \$36.70; C-2 \$33.90. **Glutinous Rice:** Thai, 1st quality, old crop \$53.

WHEAT FLOUR

(Prices per bag of the designated weight)

Australian: 50-lb bag \$12.50 to \$13. **American:** 50-lb bag \$12.30 to \$13.20; **Canadian:** 50-lb bag \$14.80 to \$17; 100-lb bag \$32.80. **Hongkong:** 50-lb bag \$11.40 to \$15.20.

SUGAR

(Prices per picul unless specified otherwise)

Granulated Sugar: Taiwan, refined, No. 24 \$42.20; Cuba, brown, \$34; Japan, granular, old \$42.80; Taikook, granulated, \$42.50. **Malt Sugar:** Thai, \$41. **Sugar Candy:** HK, 1st, \$52; 2nd, \$50.

CEMENT

(Prices per bag)

Green Island Cement: Emeralcrete, rapid hardening, 112-lb bag, \$8.20; Emerald, 112-lb bag, \$7; 100-lb bag, \$6.40. **Japanese Cement:** Spot, 100-lb bag, \$5.80; 1-cwt bag, \$6.50. **White Cement:** Snowcrete, \$67 per drum of 375 lbs; 1-cwt bag, \$15.80; Bate, 1-cwt bag, \$15.50.

MARINE PRODUCTS

(Prices per picul unless specified otherwise)

Awabi: Japanese, 15-pc-per-catty \$2,250; 28-pc-per-catty \$1,580. **Boottara:** Japanese, new, large \$110. **Compooy:** Japanese, new, large \$1,130; new, medium \$1,100; new, small \$980. **Dried Cuttle Fish:** HK, medium A grade \$750; Kwangtung, medium A grade \$569; Japanese, Migaki, medium \$285; small \$270. **Dried Fish:** Shanghai, 1st quality \$240; Japanese, 1st quality \$116. **Fish Maw:** African, C grade \$158. **Oyster:** Kwangtung, 1st quality, new \$658; large, dried \$450. **Sharks, Fin:** Japanese, large 1st quality \$406. **Dried Squid:** Kwangtung, large \$301; HK, medium \$170.

SUNDRY PROVISIONS

(Prices per picul unless specified
otherwise)

Apricot Seed: North China, large new, jobber's \$2,700. **Red Date:** Tientsin, new, \$145; Changsha, large, 1st quality \$140; Honan, large, lower quality \$45. **Dried Bamboo Fungus:** Yunnan, 1st quality \$6,600; 2nd quality, new \$5,600. **Black Fungus** (thick): Manchuria, 2nd quality, new \$2,400; Yunnan, 1st quality (yellow) \$1,350; Australian, 1st quality \$820. **Ham:** Chekiang, new \$370; Anhwei new, \$320. **Ginkgo:** Hunan, large, new \$99; Kiangsu, large, new \$97; Chekiang, medium, new \$67. **Dried Lichee:** Kwangtung, A grade, new \$500; 2nd quality \$95. **Dried Lily Bulb:** Hunan, new B grade \$170; wild, 2nd quality \$95; Kiangsi, medium \$145. **Lotus Nut:** Hunan, large, new \$355; Fukien, white, hollow \$210; Thai, red membrane \$135. **Dried Lunggan:** Kwangtung, large \$105; Taiwan, medium \$70. **Black Moss:** Shensi, 2nd quality, extra choice, large quality packing \$420; ordinary quality, small quantity packing \$400. **Mushroom** (thick): Japanese, 1st quality, B grade \$1,150; B grade, 2nd quality \$900; new B grade, 2nd quality \$900. **Mushroom** (thin): Kwangtung, 2nd quality \$390; Fukien, 2nd quality \$380. **Olive Seed:** Kwangtung, red membrane, in case, new \$180. **Seaweed** (long green strip): Japanese, 1st quality, new \$56. **Preserved Vegetable:** Szechuen, old \$63; Shanghai \$60. **Water Melon Seed:** (black) Kansu, large \$62; Kiangsi, medium \$48; (red) Kiangsi, new \$265; Kwangtung, new, in barrel \$133.

SUNDRY ARTICLES

Rayon Hair Netting: Japanese \$5 per gross. **Lighter:** UK, large \$87; small \$83; Japanese, ordinary grade \$5; Austrian, new stock \$14; all per dozen. **Lighter Flint:** German, \$39; US, \$45; Austrian, \$43.50; French, \$42.50 all per kilo. **Sewing Needle:** German, 1-5m, \$11; 4-12m, \$11; Japanese, 1st grade, 1-5m, \$9; 4-12m, \$9.20; all per 10,000 pcs. **Nail Clipper:** US, plain \$76; with file \$88; all per gross. **Playing Card:** US, \$152; gilt edge, \$240; all per gross. **Press Stud:** German, large \$10.30; small \$8.80; UK, large \$8.80; small

\$6.80; all per doz/gross. **Slide Fasteners:** Japanese, brass gold plated, with ring, 3" \$1.50; 6" \$1.90; 10" \$2.60; HK, brass, 4" \$2.33; 6" \$2.81, 10" \$3.77; all per dozen.

SINGAPORE SHARE
MARKET

After the Christmas holidays markets quickly got into their stride and a fair volume of business was transacted during the three and a half days dealing. A number of Industrials showed good recoveries. Tins generally were firm and there was no slackening in demand for Rubbers. Loans had few transactions.

Outstanding in the Industrial Section were Wearne Bros. with a quick recovery from \$2.75 to \$2.85 buyers. Wm. Jacks after business at \$3.75 cum the one for three bonus issue were marked \$2.75 buyers ex and closed with buyers five cents higher and no shares on offer. Straits Traders continued to have exchanges at \$27.00, their highest since last March, and Robinson & Co. had steady inquiry at \$2.40. Metal Box had a good turnover between \$1.60 and \$1.65 cum 5%. Malayan Cement had transactions at \$1.65 with sellers over and McAlister had takers at \$3.22½. Fraser & Neave continued quiet with few exchanges at \$1.70 and \$1.71½ and Gammons were dull at \$2.52½.

In the Tin section dollar counters were disappointing. Petalings hung fire around \$4.30 and \$4.27½. Sungei Ways came back to \$3.25 and Kuchai to \$2.00. Talam Mines, however, were firm with exchanges at \$2.25 and \$2.27½.

Austral Amalgamated were strong and touched 19/-, whilst the parent company, Austral Malay, improved to buyers 38/3. Lower Perak went from 16/7½ to 16/10½ and Kuala Kampar had a better turnover from 30/3 to 30/6. Laruts were taken at 9/6 and Rawang Tin, with eight months production within 100 piculs of last year's total, had wide inquiry and closed with buyers at 11/6.

Of London registered tins, Pukets improved to 3/9 buyers, Southern Kinta had local exchanges at 18/- and Ampats at 10/-

The Rubber section contributed largely to the total volume of business. On rumours of the sale of land at a satisfactory price, Bukit Sembawang advanced to 4/3, this in turn gave a fillip to Singapore United which were taken from London at 4/6½d, including stamp. Lunas climbed rapidly to \$4.15 buyers. Radella to \$1.30 and Temerloh to \$1.40. Batu Lintang had exchanges at \$1.75 ex dividend, Kuala Sidim were taken at \$2.10 and Mentakabs at \$1.75.

Small activity in the Loan section consisted mostly of purchases of United Kingdom tax free issues.